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ANNUAL ACTION PLAN

Montana Consolidated Plan

April 1, 2005 - March 31, 2006

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CONSOLIDATED PLAN

ANNUAL ACTION PLAN

PLAN YEAR

April 1, 2005 -- March 31, 2006

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EXECUTIVE SUMMARY

Each year Montana submits an Action Plan illustrating how the Housing and Urban Development (HUD) Community Planning and Development (CPD) resources will be utilized to improve communities throughout the State. The state's goals include:

- Increasing the supply of decent, safe, affordable housing, especially for low- and very low-income families and individuals;
- Providing housing for special needs populations such as the elderly, disabled and homeless;
- Expanding economic opportunities in order to improve the living conditions for low- and moderate-income groups; and
- Expanding and improving community facilities and services, principally for low- and moderate-income persons, which are essential for sound community development and for development of viable communities.

The Action Plan is for the 12-month period beginning April 1, 2005. The plan, developed with the input of citizens and community groups, serves four major functions:

- It is the State's application for funds available through the three HUD formula grant programs that are administered by the State of Montana: the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME), and the Emergency Shelter Grant (ESG) programs;
- It is the annual planning document, built through public input and participation, for CDBG, HOME, ESG, and other related programs;
- It lays out the funding resources expected, the method of fund distribution and the actions the State will follow in administering HUD programs; and
- It provides accountability to citizens for the use of the funds and allows HUD to measure program performance.

The Montana Department of Commerce (MDOC) administers the Community Development Block Grant Program, the HOME Investment Partnerships Program, and the Consolidated Plan. The Montana Department of Public Health and Human Services (MDPHHS) administers the Emergency Shelter Grant Program.

The state supports its Consolidated Plan with additional documents, including the *Economic and Demographic Analysis of Montana*, *Economic and Demographic Databook, Montana Housing Condition Study*, *Montana Housing Needs Assessment*, *Economic Benefits of Montana Department of Commerce Housing Programs*, and *Montana Housing Resource Directory*. These documents, studies, evaluations, and previous Consolidated Plan reports help individuals, communities, and organizations meet the basic goals of the CDBG, HOME, and ESG programs, and provide useful information for the public and legislature. Contact the Montana Department of

Commerce, Housing Division, at (406) 841-2820 for information on these and other publications, or access the Consolidated Plan documents through the website at:

http://housing.state.mt.us/Hous_CP.asp

The Annual Action Plan provides details to citizens, public agencies, and other interested parties on the amount of assistance Montana expects to receive, the range of activities that may be undertaken, and the general program activities that may be planned in addressing the priority needs.

CONSOLIDATED PLAN DEVELOPMENT PROCESS

Updating the Consolidated Plan for housing and community development is an on-going process. Throughout this process, the state strives to improve the delivery of assistance to the people of Montana. The state supports policies and programs that support decent, safe, affordable housing, services for the homeless and other non-housing community development activities, such as infrastructure enhancement and economic development. The update process consists of several distinct steps, including:

- Advisory and policy formation functions;
- Interagency cooperation and coordination;
- Consultation and outreach with concerned citizens and organizations; and
- Public awareness of the citizen involvement process.

Throughout the year, the MDOC has interacted with other agencies and organizations with a commitment to better develop housing strategies. The MDOC has maintained its commitment to inform others of their responsibility to participate in the Consolidated Plan process and to promote affordable housing, adequate infrastructure, and economic development in local communities. The MDOC supports a broad-based "team" approach to address these issues.

Members of the **Consolidated Plan Steering Committee**, with representatives from the HOME and CDBG programs, Montana Board of Housing (MBOH), other Housing Division programs, Montana Home Choice Coalition (A.W.A.R.E., Inc.), and Fannie Mae's Montana Partnership Office met during the plan development process to review the status of the Action Plan. In addition, other agencies, such as the Montana Department of Environmental Quality (MDEQ), the Montana Department of Natural Resources and Conservation (MDNRC), the Montana Department of Public Health and Human Services (MDPHHS), and the Montana Department of Labor and Industry (MDOLI), are solicited as needed for input on specific topics contained in the Action Plan and supporting studies.

As part of the plan update, numerous outside agencies and individuals were contacted. Organizations and individuals are encouraged to provide statistics, data, and other information to aid in preparing the Action Plan and related studies.

On-Site Public Input Meetings			
Glasgow	Mar. 30, 2004	7:00 – 8:30 pm	Cottonwood Inn, south side of US Hwy 2 E
Anaconda	Apr. 6, 2004	11:30 am – 1:00 pm	Community Service Center, 118 E. 7th St
Shelby	Apr. 14, 2004	11:30 am – 1:00 pm	Marias River Electric Co-op, 910 Roosevelt Hwy

METNet Videoconference Public Input Meeting		
April 22, 2004 2:00 to 4:00 pm		
Helena	Dept. of Public Health & Human Svcs.	111 Sanders St., Lower Level Auditorium
Bozeman	Montana State University	Corner of S. 7th & Grant, EPS Bldg-Burns Center
Butte	Montana Tech of the University of MT	1300 W. Park St., Engineering Lab Classroom Bldg
Dillon	Western Montana College of the Univ. of MT	710 S. Atlantic, Lucy Carson Library
Havre	Montana State University–Northern	300 11th St. W., Hagener Science Center
Kalispell	Flathead Valley Community College	777 Grandview Dr., Learning Resource Center
Miles City	Miles Community College	2715 Dickenson St., Room 106
Billings	Montana State University-Billings	1500 N. 30th St., College of Educ. & Human Svcs.
Great Falls	MSU College of Technology	2100 16th Ave. S., Room B-103
Missoula	University of Montana	Gallagher Bldg, Corner of Arthur & Eddy Sts.

On-Site Public Review Meetings			
Miles City	Oct. 13, 2004	12:00 – 1:15 pm	Guest House Inn, 3111 Steel St.
Lewistown	Oct. 19, 2004	12:00 – 1:15 pm	Yogo Inn, 211 E. Main St.
Missoula	Oct. 21, 2004	12:00 – 1:15 pm	Best Inn & Conference Center-South, 3803 Brooks St.

METNet Videoconference Public Review Meeting		
November 18, 2004 3:00 – 5:00 pm		
Helena	Dept. of Public Health & Human Svcs.	111 Sanders St., Lower Level Auditorium
Bozeman	Montana State University	Corner of S. 7th & Grant, EPS Bldg-Burns Center
Butte	Montana Tech of the University of MT	1300 W. Park St., Engineering Lab Classroom Bldg
Havre	Montana State University–Northern	300 11th St. W., Hagener Science Center
Kalispell	Flathead Valley Community College	777 Grandview Dr., Learning Resource Center
Billings	Montana State University-Billings	1500 N. 30th St., College of Educ. & Human Svcs.
Great Falls	MSU College of Technology	2100 16th Ave. S., Room B-103
Missoula	University of Montana	Gallagher Bldg, Corner of Arthur & Eddy Sts.

HUD COMMUNITY PLANNING AND DEVELOPMENT RESOURCES

Community Development Block Grant (CDBG) Program

The Community Development Division and the Business Resources Division (BRD) of the MDOC administer the CDBG program. For the plan year beginning April 1, 2005, the state will receive $7,626,300 in federal CDBG funds. Of these dollars, one-third, or approximately $2.4 million, will be allocated for economic development projects, administered by the BRD. Approximately $4.6 million will be allocated to public facility ($3.2 million) projects and to housing and neighborhood renewal ($1.4 million) projects, which are administered by the Community Development Division (CDD).

CDBG

FFY 2005

	Minimum Amount	Maximum Amount
Competitive		$ 7,297,511
Formula		
Retained for State Project		
Non-Competitive		
State Admin of Program		$ 328,789

The CDBG program also anticipates that an undeterminable amount of program income will be generated. Grantee communities that have an approved CDBG program income plan are allowed to retain the funds for further CDBG-eligible activities. Each year, local governments receiving CDBG program income are requested to file a report showing the status of program revenues and expenditures.

General-purpose local governments, towns and cities under 50,000 in population and counties, are eligible applicants for CDBG funds. Funds distribution for the CDBG **Housing and Neighborhood Renewal** category and the **Public Facility** category is based on annual grant competitions. The maximum grant request in each category is $500,000. Existing grantees must significantly drawdown their current funds before they are eligible to apply for additional program funds. Each local government may apply for one housing and neighborhood renewal project and one public facility project each program year. Montana's three entitlement cities, Billings, Great Falls, and Missoula are not eligible to apply for state CDBG funding since they receive their own CDBG funds directly from HUD.

The CDBG program sets aside funds for **Planning Grants** related to housing and neighborhood renewal and public facilities. The planning grants category is also based on an annual competition. Eligible applicants are the same as for the housing and neighborhood renewal and public facility categories. Planning grants can be used for a variety of planning activities including the initial planning necessary to get a project under way; conducting other community planning activities such as preparing or updating a comprehensive plan or growth policy; or preparing a neighborhood redevelopment plan, a housing study, preliminary engineering or architectural report, capital improvement plan, or similar planning processes needed to help a community address critical needs. The maximum planning grant ceiling is anticipated to be $15,000 for the plan year.

The FFY 2005 public facilities category application deadline was May 28, 2004. Grant awards for approximately $3.2 million in CDBG funds were announced in late October 2004. The housing and neighborhood renewal application deadline for FFY 2005 funds, approximately $1.4 million, was November 19, 2004 with grant announcements expected in March 2005.

The **Economic Development** component of the CDBG program receives one-third, or approximately $2.4 million, of the annual allocation to the state of Montana. It is anticipated that the CDBG-ED Guidelines will be available in February 2005 and the CDBG-ED Planning Grant Guidelines will be available in May 2005. Applications are received and funds are awarded on a continuous cycle until all funds are committed. Once all funding is obligated, project development and funding awards may occur in anticipation of the next year's funding allocation.

The Business Resources Division sets aside approximately $225,000 in CDBG-ED funds for economic development planning, capacity building, and technical assistance grants. For plan year 2005, the BRD intends to use the set-aside funds for activities similar to those funded in recent years, but will establish specific application policies by May 2005. The policies will specify funding priorities, application procedures, and amounts available at that time for each subcategory. Funds not utilized for this category may be used for the regular CDBG-ED program.

Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new, affordable housing (when sponsored by a nonprofit organization); provision of public facilities and improvements such as water, sewer, or solid waste facilities, or senior citizen centers; and assistance to for-profit businesses to promote economic development activities that will result in the creation or retention of jobs.

During calendar year 2005, the CDBG program anticipates applications for funds will be accepted as follows:

Type of Grant	Ceiling	Deadline
▪ FFY 2005 Planning Grants-Housing & Neighborhood Renewal and Public Facility	$ 15,000	April 22, 2005
Grant Announcement		June 2005
▪ FFY 2006 Public Facility Grants	$ 500,000	May 27, 2005
Grant Announcement		September 2005
▪ FFY 2006 Housing & Neighborhood Renewal Grants	$ 500,000	November 4, 2005
Grant Announcement		February 2006
▪ FFY 2005 Economic Development Grants	$ 400,000	Open Cycle
▪ FFY 2005 Planning Grants-Economic Development	$ 15,000	Open Cycle

Specific guidelines that relate to the individual CDBG programs may be obtained by contacting the MDOC or by viewing the programs' websites at the following addresses:

➢ CDBG Public Facilities and Housing & Neighborhood Renewal:

http://commerce.mt.gov/CDD_CDBG.asp

- CDBG Economic Development:

http://commerce.mt.gov/BRD_CDBG.asp

HOME Investment Partnerships (HOME) Program

The HOME program, administered by the MDOC Housing Division, will receive $4,594,104 for the plan year beginning April 1, 2005, 4.4 percent less than HUD's planning estimate. Funds will be used to develop affordable housing for low- and very low-income persons.

Additionally, in December 2003, the American Dream Downpayment Initiative (ADDI) was signed into law. ADDI provides for $200 million each year from 2003 until 2007 to be allocated to HOME participating jurisdictions based on the percent of low-income renters in the jurisdiction relative to the percent of low-income renters in the United States. The MDOC will receive $164,842 for FFY 2005, 43 percent less than HUD's planning estimate.

The majority of the MDOC's ADDI funds will be granted according to the existing HOME program allocation process through competitive applications. However, a portion of Montana's ADDI funds will be allocated non-competitively to the state's three entitlement cities: Missoula, Great Falls, and Billings, which are not large enough to receive an ADDI allocation. Since the MDOC's allocation of ADDI funds is based upon the number of low-income renters in the state relative to the number of low-income renters in the nation, the MDOC will grant funds to Missoula, Great Falls, and Billings based on the number of low-income renters in each city relative to the number of low-income renters in Montana. The cities will not be required to submit applications to the MDOC, but will be required to demonstrate a viable plan for disbursing the ADDI funds in a timely manner.

The HOME program anticipates that an undeterminable amount of program income and CHDO proceeds will be generated. Grantees that have a Program Income Plan or CHDO Proceeds Plan approved by the HOME Program are allowed to retain the funds for further HOME eligible activities. Program income and CHDO proceeds are reported to the HOME program quarterly.

HOME

FFY 2005

	Minimum Amount	Maximum Amount
Competitive		$ 4,238,545 *
Formula		
Retained for State Project		
Non-Competitive		$ 60,991 *
State Admin of Program		$ 459,410

* Includes ADDI05 funds ($164,842).

Program funds for HOME are distributed through a competitive process of grant applications with a deadline date of March 4, 2005. Eligible applicants include general-purpose local governments (counties, incorporated cities and towns, and consolidated city-county governments), Community Housing Development Organizations (CHDOs) certified by the MDOC, and Montana Public Housing Authorities (PHAs). The maximum request for a HOME project is $500,000 (including soft costs) for homebuyer assistance, homeowner rehabilitation, rental rehabilitation, tenant based rental assistance (TBRA), and new construction. CHDOs receive a minimum 15 percent set-aside of each fiscal year allocation to perform ownership, sponsorship, and development of housing activities.

Specific guidelines that relate to the HOME program may be obtained by contacting the MDOC Housing Division or by viewing the program's website at the following address:

http://housing.mt.gov/Hous_HM.asp

Emergency Shelter Grant (ESG) Program

The Intergovernmental Human Services Bureau (IHSB) of the Montana Department of Public Health and Human Services (MDPHHS) anticipates that $393,710 will be available through the ESG program.

ESG

	FFY 2005	
	Minimum Amount	Maximum Amount
Competitive Formula		$ 374,025
Retained for State Project		
Non-Competitive		
State Admin of Program		$ 19,685

The 10 regional Human Resource Development Councils receive 95 percent of the funds allocated under this program. Funds are distributed based on a formula allocation contained in Administrative Rules of Montana, ARM 53-10-502, pertaining to the Community Services Block Grant. This allocation reflects areas of poverty and general population.

Continuum of Care Competitive (CoC) Grants

Continuum of Care competitive grants provide permanent and transitional housing to homeless persons. In addition, CoC grants fund services including job training, health care, mental health counseling, substance abuse treatment and child care. In late January 2005, Montana's statewide CoC was awarded nearly $2.5 million in the 2004 competitive grants.

MONTANA'S STATEWIDE CONTINUUM OF CARE HOMELESS ASSISTANCE AWARDS FEDERAL FISCAL YEAR 2004		
Missoula Housing Authority	SPC	$847,440
Western Montana Mental Health Center/Turning Point Addiction Services	SHPR	$393,330
YWCA of Missoula	SHPR	$35,240
YWCA of Missoula	SHPR	$65,761
The Samaritan House	SHPR	$63,000
Florence Crittenton Home and Services	SHP	$373,639
Sanders County Coalition For Families	SHPR	$56,964
District IV HRDC	SHPR	$16,800
District 7 Human Resource Development Council	SHPR	$63,000
Missoula Housing Authority	SPCR	$126,360
Missoula Housing Authority	SPCR	$304,200
Helena Housing Authority	SPCR	$74,424
Helena Housing Authority	SPCR	$74,424
Total		**$2,494,582**
SPC – Shelter Plus Care; SPCR - Shelter Plus Care Renewal; SHPR – Supportive Housing Program Renewal; SHP – Supportive Housing Program		

Housing Opportunities for Persons With AIDS (HOPWA)

In October 2004, the MDPHHS, on behalf of the states of Montana, North Dakota, and South Dakota, was awarded a HOPWA renewal grant of $1,450,800 for three years to continue operating the Tri-state Housing Environments for Living Positively (TS HELP) program. This program is a continuum of housing and related supportive service opportunities for people living with HIV/AIDS and their families serving these three states, which do not qualify for direct HOPWA formula grant funding. TS HELP is a partnership between MDPHHS, and four private agencies in North Dakota, South Dakota, and Montana, including the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Missoula AIDS Council and Yellowstone AIDS Project in Montana.

INTRODUCTION

The Montana Department of Commerce (MDOC) is the lead agency overseeing the development of the Consolidated Plan. This Annual Action Plan is for the 12-month period beginning April 1, 2005 and ending March 31, 2006 and is designed to meet the requirements set forth by the U.S. Department of Housing and Urban Development (HUD). Each year, Montana submits an action plan illustrating how the HUD Community Planning and Development (CPD) resources it receives will be utilized to improve communities throughout the state. The state's goals include:

- Increasing the supply of decent, safe, affordable housing, especially for low- and very low-income families, individuals, and special needs populations such as the elderly, disabled and homeless;
- Expanding economic opportunities in order to improve the living conditions for low- and moderate-income groups; and
- Expanding and improving community facilities and services, principally for low- and moderate-income persons, which are essential for sound community development and for development of viable communities.

The plan, developed with the input of citizens and community groups, serves four major functions:

- It is the state's application for funds available through the three HUD formula grant programs that are administered by the state of Montana:
  - The Community Development Block Grant (CDBG) program, administered by the Community Development and Business Resources Divisions of the MDOC;
  - The HOME Investment Partnerships (HOME) program, administered by the Housing Divisions of the MDOC; and
  - The Emergency Shelter Grant (ESG) program, administered by the Human and Community Services Division of the Montana Department of Public Health and Human Services (MDPHHS).
- It is the annual planning document, built through public input and participation, for CDBG, HOME, ESG and other related programs.
- It lays out the funding resources expected, the method of fund distribution, and the actions the state will follow in administering HUD programs.
- It provides accountability to citizens for the use of the funds and allows HUD to measure program performance.

The state supports its Consolidated Plan with additional documents, including the *Economic and Demographic Analysis of Montana*, *Economic and Demographic Databook, Montana Housing Condition Study*, *Montana Housing Needs Assessment*, *Economic Benefits of Montana Department of Commerce Housing Programs*, and *Montana Housing Resource Directory.* These documents, studies, evaluations, and

previous Consolidated Plan reports help individuals, communities, and organizations meet the basic goals of the CDBG, HOME, and ESG programs, and provide useful information for the public and legislature.

The Annual Action Plan provides details to citizens, public agencies, and other interested parties on the amount of assistance Montana expects to receive, the range of activities that may be undertaken, and the general program activities that may be planned in addressing the priority needs during the plan year.

CONSOLIDATED PLAN DEVELOPMENT PROCESS

Updating the Consolidated Plan for housing and community development is an on-going process. Throughout this process, the state strives to improve the delivery of assistance to the people of Montana. The state supports policies and programs that support decent, safe, affordable housing, services for the homeless, and other non-housing community development activities such as infrastructure enhancement and economic development.

ADVISORY AND POLICY FORMATION FUNCTIONS

Throughout the year, the MDOC interacts with other agencies and organizations with a commitment to better develop housing strategies. The MDOC maintains its commitment to inform others of their responsibility to participate in the consolidated planning process and to promote affordable housing, adequate infrastructure, and economic development in local communities. The MDOC supports a broad-based "team" approach to address affordable housing issues through the formation of the Consolidated Plan Steering Committee, Housing Coordinating Team, and Housing Working Group. The MDOC has also been a long-standing member of the Water, Wastewater and Solid Waste Action Coordinating Team, which was formed in 1982 to address infrastructure issues. These committees and groups provide direction and input to the Consolidated Plan.

Additionally, the Housing and Community Development Divisions of the MDOC continue improving coordination in the area of joint applications, workshops, and reporting forms.

The CDBG Economic Development (CDBG-ED) program works in tandem with the other business financing and technical assistance programs in the Business Resources Division to meet the objectives of the MDOC for statewide economic development. In addition to providing loans to for-profit businesses, CDBG provides leverage of dollars and technical assistance to the business community throughout the state.

The MDOC HOME program continues to advise nonprofit groups on how to form certified Community Housing Development Organizations (CHDOs). An MDOC-certified CHDO can apply for set-aside funds under the MDOC HOME program. Like local units of government (cities, towns, and counties), and public housing authorities (PHAs), CHDOs are also eligible to apply for HOME grant funds that are not part of the CHDO set-aside.

INTERAGENCY COOPERATION AND COORDINATION

Members of the **Consolidated Plan Steering Committee**, with representatives from the HOME, Montana Board of Housing (MBOH) and CDBG programs, other Housing Division programs, the Montana Home Choice Coalition/A.W.A.R.E., Inc., and Fannie Mae's Montana Partnership Office met during the plan development process to review the status of and provide input to the Consolidated Plan. In addition, other agencies, such as the Montana Department of Environmental Quality (MDEQ), the Montana Department of Natural Resources and Conservation (MDNRC), the MDPHHS, and the Montana Department of Labor and Industry (MDOLI), are solicited as needed for input on specific topics contained in the action plan and supporting studies.

The **Housing Working Group** (HWG), formed by the MDOC in 1996, continues to review areas where regulations are adding to the cost of housing. Other areas addressed by the HWG include the legislative process, comprehensive planning and zoning, subdivision standards, disincentives to building within city limits, and financing for infrastructure costs. In addition, the HWG, in conjunction with the MDEQ, developed an award-winning affordable/energy efficient house plan book, with entries submitted by Montana architects.

The **Housing Coordinating Team** (HCT), also chartered by the MDOC, continues to facilitate statewide coordination in the delivery of housing services to individual housing providers and local organizations. Areas of cooperation include evaluating the effects of impact fees on affordable housing, coordinating monitoring requirements within the MDOC programs, and making minor adjustments to the common application for housing projects. Participating organizations include the MDOC and MDPHHS, HUD, Fannie Mae's Montana Partnership Office (MTPO), U.S. Department of Agriculture Rural Development (USDA RD), and local housing authorities.

The **Water, Wastewater and Solid Waste Action Coordinating Team** (W_2ASACT) is a group of professionals from state and federal governments, and nonprofit organizations that finance, regulate, and/or provide technical assistance for infrastructure, principally drinking water and wastewater systems. W_2ASACT currently meets bimonthly to explore and coordinate a wide range of activities linked to improving the environmental infrastructure of local governments and unincorporated communities across Montana. W_2ASACT regularly sponsors and coordinates annual seminars statewide to explain the various financial programs and resources available to assist local governments in funding their infrastructure needs. Civil engineers, local government representatives, and technical assistance providers are invited to present comprehensive information regarding environmental infrastructure projects.

W_2ASACT subcommittees continue to address issues of community planning and environmental regulation in order to streamline the application and project implementation process for small rural communities. A current goal is to consolidate multiple, separate environmental mandates into one coordinated environmental review

process, including the development of a common environmental assessment form that would be accepted by all funding agencies.

In addition, staff from the Housing Division regularly attends and participates in meetings held by the **Montana Continuum of Care**, the **Montana Home Choice Coalition**, the **Montana Homeownership Network**, the **Tri-State HELP** program, **Mental Health Oversight Advisory Council,** and the **Montana Council on Homelessness**.

The **Montana Continuum of Care** (MT CoC) for the Homeless Coalition is a statewide collaboration of diverse homeless service providers, nonprofit organizations, and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area.

The Montana **Home Choice Coalition** is a coalition of Montana citizens working together to create better housing opportunities for Montana citizens with disabilities. A.W.A.R.E., Inc. coordinates the Coalition, which receives support and sponsorship from the Fannie Mae MTPO and the MDPHHS. The Coalition develops new housing and resources directly and in partnership with other entities, provides education, advocacy and housing counseling, and collects data to support its goal of creating better housing choices for Montanans with disabilities.

An affiliate of Neighborhood Housing Services, Inc. of Great Falls (NHS), the **Montana Homeownership Network** (MHN) is a nonprofit housing provider offering affordable home ownership opportunities to lower income individuals and families around the state. Its partners include the Missoula Housing Corp., state Resource Conservation & Development Board, Natural Resource Conservation Service, USDA-RD, HUD, Assiniboine and Sioux Tribal Enterprise, Salish and Kootenai Housing Authority, Neighborhood Reinvestment, cities of Great Falls and Billings, Fannie Mae MTPO, First Interstate BancSystem Foundation, Heritage Bank, US Bank, Wells Fargo Bank, Stockman Bank, Montana Building Industry Association, Montana REALTOR® Association, Career Training Institute, Helena Area Housing Task Force, Elkhorn Housing Development Corporation, Human Resource Development Councils, and the MBOH.

The **Tri-State HELP** program is a housing assistance program for people living with HIV/AIDS in the states of Montana, North Dakota, and South Dakota. Tri-State HELP is funded through competitive Housing Opportunities for Persons With AIDS (HOPWA) grants from HUD.

The 1999 Montana Legislature directed the Montana Department of Public Health and Human Services to create the **Mental Health Oversight Advisory Council** (MHOAC). MHOAC provides input to the MDPHHS in the development and management of the public mental health system. MHOAC membership includes consumers of mental health services including those who currently receive or formerly received public mental health services, immediate family members of recipients of mental health services, advocates

for consumers or family members of consumers, the public at large, mental health service providers, legislators, and MDPHHS representatives.

In response to the growing problem of homelessness in Montana, former Governor Judy Martz issued an Executive Order in June 2004, establishing the **Montana Council on Homelessness** (MCH). The Council was structured to establish vital links among the efforts and resources of state and federal agencies, communities, tribes, nonprofits, and others. The MCH is charged with developing a 10-year plan to eradicate chronic homelessness in Montana and with addressing this multi-faceted issue through policy, protocols, recommendations for legislation and the creative use of new and existing resources. The MCH consists of representatives from the Governor's office, Montana Wyoming Tribal Leaders Council, MDPHHS, MDOC, Social Security Administration, Veterans' Affairs Division, Department of Corrections, Office of Public Instruction, Montana Board of Crime Control, Health Care for the Homeless, American Indian Advocacy & Legal Counsel, homeless service provider, homeless or previously homeless person, MDOLI, addictive and mental disorders, Montana CoC, and HUD.

CONSULTATION AND OUTREACH WITH CITIZENS AND ORGANIZATIONS

As part of the plan update, numerous outside agencies and individuals were contacted. Organizations and individuals are encouraged to provide statistics, data, and other information to aid in preparing the action plan and related studies.

PUBLIC AWARENESS OF THE CITIZEN INVOLVEMENT PROCESS

To gather additional public comment for the planning and review process, four public input meetings, including one by METNet videoconference, were held in March and April 2004. The METNet videoconference was held simultaneously in ten cities around the state on April 22, 2004.

On-Site Public Input Meetings			
Glasgow	Mar. 30, 2004	7:00 – 8:30 pm	Cottonwood Inn, south side of US Hwy 2 E
Anaconda	Apr. 6, 2004	11:30 am – 1:00 pm	Community Service Center, 118 E. 7th St
Shelby	Apr. 14, 2004	11:30 am – 1:00 pm	Marias River Electric Co-op, 910 Roosevelt Hwy

METNet Videoconference Public Input Meeting		
April 22, 2004 2:00 to 4:00 pm		
Helena	Dept. of Public Health & Human Svcs.	111 Sanders St., Lower Level Auditorium
Bozeman	Montana State University	Corner of S. 7th & Grant, EPS Bldg-Burns Center
Butte	Montana Tech of the University of MT	1300 W. Park St., Engineering Lab Classroom Bldg
Dillon	Western Montana College of the Univ. of MT	710 S. Atlantic, Lucy Carson Library
Havre	Montana State University–Northern	300 11th St. W., Hagener Science Center
Kalispell	Flathead Valley Community College	777 Grandview Dr., Learning Resource Center
Miles City	Miles Community College	2715 Dickenson St., Room 106
Billings	Montana State University-Billings	1500 N. 30th St., College of Educ. & Human Svcs.
Great Falls	MSU College of Technology	2100 16th Ave. S., Room B-103
Missoula	University of Montana	Gallagher Bldg, Corner of Arthur & Eddy Sts.

Three public review meetings were held in October 2004 together with the joint housing application workshops. In addition, on November 18, 2004, a multi-site videoconference meeting was held simultaneously in eight cities around the state.

On-Site Public Review Meetings			
Miles City	Oct. 13, 2004	12:00 – 1:15 pm	Guest House Inn, 3111 Steel St.
Lewistown	Oct. 19, 2004	12:00 – 1:15 pm	Yogo Inn, 211 E. Main St.
Missoula	Oct. 21, 2004	12:00 – 1:15 pm	Best Inn & Conference Center-South, 3803 Brooks St.

METNet Videoconference Public Review Meeting		
November 18, 2004 3:00 – 5:00 pm		
Helena	Dept. of Public Health & Human Svcs.	111 Sanders St., Lower Level Auditorium
Bozeman	Montana State University	Corner of S. 7th & Grant, EPS Bldg-Burns Center
Butte	Montana Tech of the University of MT	1300 W. Park St., Engineering Lab Classroom Bldg
Havre	Montana State University–Northern	300 11th St. W., Hagener Science Center
Kalispell	Flathead Valley Community College	777 Grandview Dr., Learning Resource Center
Billings	Montana State University-Billings	1500 N. 30th St., College of Educ. & Human Svcs.
Great Falls	MSU College of Technology	2100 16th Ave. S., Room B-103
Missoula	University of Montana	Gallagher Bldg, Corner of Arthur & Eddy Sts.

At a minimum, the meetings were noticed with general announcements to everyone on the Consolidated Plan mailing list, general newspaper ads in the state's major newspapers, personal invitation letters to everyone on the Consolidated Plan mailing list living in the areas in which the meetings were being held, and specific newspaper display ads in the areas the meetings were being held.

QUANTITATIVE ANALYSIS IN SUPPORT OF THE PLAN

Development of the Action Plan for the plan year beginning April 1, 2005 is partially based on current and past research studies and analyses of housing, infrastructure, and economic development needs. Several analyses were conducted during the current planning cycle.

Prepared by the Center for Applied Economic Research at Montana State University-Billings, the purpose of the *Economic and Demographic Analysis of Montana* is to provide current data and analysis for two primary uses: first, for the MDOC in preparing Montana's Consolidated Plan; and second, for communities and other organizations that apply for federal funds from the HOME and CDBG programs for housing projects, public facilities, and economic development activities. This data may also be useful to other entities in need of statewide or county level analysis of economic, demographic, and housing trends.

Volume I of the *Economic and Demographic Analysis*[1] presents and analyzes economic data by county for Montana including income and poverty data from the U.S. Census

[1] *Economic and Demographic Analysis of Montana*, Volume I-Economic Profile, Center for Applied Economic Research, Montana State University-Billings, January 2005.

Bureau, employment, earnings and income data from the U.S. Bureau of Economic Analysis, and labor force statistics from the MDOLI and the U.S. Bureau of Labor Statistics.

Volume II of the *Economic and Demographic Analysis*[2] presents an analysis of Montana demographic data by county. These statistics include 1990 and 2000 Census population data as well as current population estimates. Certain social characteristics are also examined such as gender, age and race, population living in group quarters, marital status, veteran status, and school enrollment.

Detailed data on the disabled population in Montana is presented in the appendix to Volume II[3], including detailed statistics of disability counts by county and cities with a population of 5,000 or more from Census 2000.

Volume III of the *Economic and Demographic Analysis*[4] presents Montana housing statistics by county using 1990 and 2000 Census data, including (a) the year the structure was built, (b) the number of units in the structure, (c) the number of rooms per structure, (d) the occupants per room, and (e) the number of structures lacking complete plumbing or kitchen facilities. Census 2000 homeownership rates are analyzed as well. The Census forecast of 2001, 2002 and 2003 housing units is also presented as well as historical new construction permit data. Current year data on total monthly housing costs are calculated including mortgage payment or rental payment, property taxes, insurance cost and utility costs. These costs are compared to median family income to determine affordability. In addition, historical information on housing prices is presented.

Using data from NPA Data Services, Inc., the *Economic and Demographic Databook* looks at six areas of interest for each county in Montana, including: historic and forecast population; historic and forecast earned and unearned income; historic and forecast earnings by industry; total population by age cohorts, male population by age cohorts; and female population by age cohorts. The *Databook* is available on the Consolidated Plan website at:

http://housing.state.mt.us/Hous_CP_Apps.asp.

The purpose of the *Montana Housing Condition Study*[5] is to evaluate the current housing stock in the state. The detailed data presented on the current housing stock will help the state and community organizations better understand what types of housing are available for rent and for purchase, and assist them in determining the housing

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[2] *Economic and Demographic Analysis of Montana*, Volume II, Demographic Analysis, Center for Applied Economic Research, Montana State University-Billings, December 2004.

[3] *Economic and Demographic Analysis of Montana*, Volume II Appendix, Disability Data, Center for Applied Economic Research, Montana State University-Billings, December 2004.

[4] *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

[5] *Montana Housing Condition Study*, Center for Applied Economic Research, Montana State University-Billings, January 2005.

needs of Montana citizens. Data regarding the physical characteristics and residential improvements of all residential property was extracted from the Computer Assisted Mass Appraisal System (CAMAS) database maintained by the Montana Department of Revenue.

In order to assess more accurately the effectiveness of the housing programs administered by the MDOC, an assessment of the overall economic benefits is presented in the *Economic Benefits of Montana Department of Commerce Housing Programs*.[6] Through economic modeling, the report shows how MDOC housing programs provide visible benefits to communities throughout the state in funding rehabilitation and new construction of low-income and senior housing. During the construction phases, people within the community are aware of the direct economic impacts in terms of construction jobs and spending. What they are less aware of is the ripple effect that the expenditures have within their communities and the number of businesses and jobs that are supported. Less visible still is the amount of economic activity supported by low-income housing assistance. The increased consumer spending that results from the rental assistance benefits a wide variety of businesses throughout the community.

The *Montana Housing Needs Assessment*[7] quantifies the state's estimated housing needs from 2006-2010 and establishes priorities for these needs. First, a household forecast is presented for 2006-2010. Second, a housing needs survey was undertaken to better gauge housing needs throughout the state. The combination of the household forecast and housing needs survey are the basis for the state's housing needs assessment and determination of the priorities to meet these needs.

As part of the Consolidated Plan, HUD requires the state of Montana to certify it will affirmatively further fair housing. This requires the state to undertake fair housing planning, complete an analysis of impediments to fair housing choice, take actions to overcome effects of any impediments identified through the analysis, and maintain records reflecting the analysis and actions taken.

The *Analysis of Impediments to Fair Housing and Housing Choice*[8] was prepared to document findings of the analysis of impediments conducted in Montana, as required by HUD. HUD defines impediments to fair housing as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choice; or

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[6] *Economic Benefits of Montana Department of Commerce Housing Programs*, Center for Applied Economic Research, Montana State University-Billings, February 2005.

[7] *Montana Housing Needs Assessment*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

[8] *Analysis of Impediments to Fair Housing and Housing Choice*, Western Economic Services, LLC, November 2004

- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choice on the basis of race, color, religion, sex, disability, familial status, or national origin.

The *Montana Housing Resource Directory* includes descriptions of a variety of federal, state, and local housing programs available in Montana. The directory and associated reference guide are meant to provide an overview of the available programs along with contact information.

The following documents and studies have been prepared or updated in support of the Consolidated Plan and other programs and are used in the planning process:

- *Economic and Demographic Analysis of Montana* - Volumes I, II, III 2005/2004
- *Economic and Demographic Databook* 2005
- *Economic Benefits of MDOC Housing Programs*[*] 2005
- *Montana Housing Condition Study*[*] 2005
- *Montana Housing Needs Assessment* 2005
- *Montana Housing Resource Directory* 2005
- *2003 Price of Housing Study in Montana*[*] 2004
- *Analysis of Impediments to Fair Housing and Housing Choice*[*] 2004
- *Capital Improvements Planning Manual*[**] 2004
- *Homeless in Montana: a Report*[***] 2004
- *Survey of Water, Wastewater, and Solid Waste Facility Rates in Montana*[**] 2003
- *Location of Growth in Montana*[**] 2002
- *County Bridge and Road Capital Improvement Planning and Financing Manual*[**] 2001
- *Planning & Financing Community Water & Sewer Systems in Montana*[**] 1997
- *Inventory of Water and Wastewater Needs for Unincorporated and Non-District Areas in the State of Montana*[**] 1996
- *A Handbook: Capital Facilities Scheduling & Financing*[**] 1995
- *Inventory of Infrastructure Needs*[**] 1995

[*] Contact the MDOC, Housing Division, at (406) 841-2820 for information on these and other publications or access the documents through the Housing Division website at:

http://housing.mt.gov/

[**] Contact the MDOC, Community Development Division, at (406) 841-2791 for information on these publications.

[***] Contact the MDPHHS, Human & Community Services Division at (406) 444-4260 for this publication or access it through the following website:

http://sherriedowning.com/consulting/CouncilonHomelessness.html

RESOURCES

FEDERAL RESOURCES EXPECTED

Community Development Block Grant (CDBG) Program

The Community Development Division and the Business Resources Division (BRD) of the MDOC administer the CDBG program. For the plan year beginning April 1, 2005, the state will receive $7,626,300 in federal CDBG funds. Of these dollars, one-third, or approximately $2.4 million, will be allocated for economic development projects, administered by the BRD. Approximately $4.6 million will be split between public facility projects ($3.2 million) and housing and neighborhood renewal projects ($1.4 million), which are administered by the Community Development Division (CDD).

The CDBG program also anticipates that an undeterminable amount of program income will be generated. Grantee communities that have an approved CDBG program income plan are allowed to retain the funds for further CDBG-eligible activities. Each year, local governments receiving CDBG program income are requested to file a report showing the status of program revenues and expenditures.

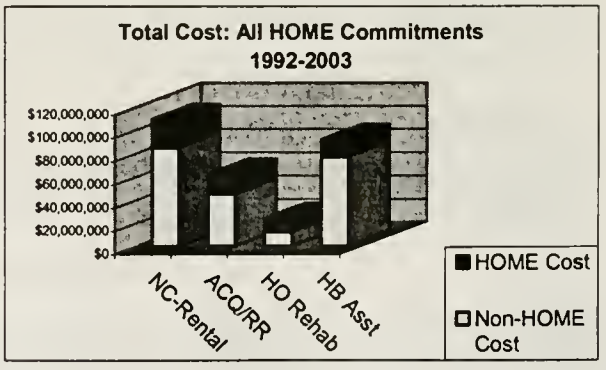
CDBG

FFY 2005

	Minimum Amount	Maximum Amount
Competitive		$ 7,297,511
Formula		
Retained for State Project		
Non-Competitive		
State Admin of Program		$ 328,789

HOME Investment Partnerships (HOME) Program

The HOME program, administered by the MDOC Housing Division, will receive $4,594,104 for the plan year beginning April 1, 2005, 4.4 percent less than HUD's planning estimate. Funds will be used to develop affordable housing for low- and very low-income persons.



Additionally, in December 2003, the American Dream Downpayment Initiative (ADDI) was signed into law. ADDI provides for $200 million each year from 2003 until 2007 to be allocated to HOME participating jurisdictions based on the percent of low-income renters in the jurisdiction relative to the

percent of low-income renters in the United States. The MDOC will receive $164,842 for FFY 2005, 43 percent less than HUD's planning estimate.

The HOME program expects that an undetermined amount of program income will be generated from some previously awarded grants. HOME grantees with an approved program income plan are allowed to retain any program income generated and use the funds for HOME-eligible activities:

- If program income is earned by a grantee before closeout of a project, it must be added to funds committed to the project and used to support eligible activities before the grantee can request an additional drawdown of funds.
- If a grantee previously received a HOME award for a project that has not been closed out and they receive an additional HOME award at a later date, the program income from the earlier project must be expended on eligible activities under the new project before the grantee can request funds from its new grant allocation.
- If a grantee receives any program income after project completion and grant closeout, these funds must be reported on a quarterly basis to the HOME program and may be used for additional HOME eligible activities, according to the terms of the grant closeout agreement and approved program income plan.

HOME

FFY 2005

	Minimum Amount	Maximum Amount
Competitive		$ 4,238,545 *
Formula		
Retained for State Project		
Non-Competitive		$ 60,991 *
State Admin of Program		$ 459,410

* Includes ADDI05 funds ($164,842).

Emergency Shelter Grant (ESG) Program

The Intergovernmental Human Services Bureau (IHSB) of the Montana Department of Public Health and Human Services (MDPHHS) anticipates that $393,710 will be available through the ESG program.

ESG

	FFY 2005 Minimum Amount	Maximum Amount
Competitive Formula		$ 374,025
Retained for State Project Non-Competitive		
State Admin of Program		$ 19,685

Continuum of Care Competitive (CoC) Grants

Continuum of Care competitive grants provide permanent and transitional housing to homeless persons. In addition, CoC grants fund services including job training, health care, mental health counseling, substance abuse treatment and child care. In late January 2005, Montana's statewide CoC was awarded nearly $2.5 million in the 2004 competitive grants.

MONTANA'S STATEWIDE CONTINUUM OF CARE HOMELESS ASSISTANCE AWARDS
FEDERAL FISCAL YEAR 2004

Missoula Housing Authority	SPC	$847,440
Western Montana Mental Health Center/Turning Point Addiction Services	SHPR	$393,330
YWCA of Missoula	SHPR	$35,240
YWCA of Missoula	SHPR	$65,761
The Samaritan House	SHPR	$63,000
Florence Crittenton Home and Services	SHP	$373,639
Sanders County Coalition For Families	SHPR	$56,964
District IV HRDC	SHPR	$16,800
District 7 Human Resource Development Council	SHPR	$63,000
Missoula Housing Authority	SPCR	$126,360
Missoula Housing Authority	SPCR	$304,200
Helena Housing Authority	SPCR	$74,424
Helena Housing Authority	SPCR	$74,424
Total		**$2,494,582**

SPC – Shelter Plus Care; SPCR - Shelter Plus Care Renewal; SHPR – Supportive Housing Program Renewal; SHP – Supportive Housing Program

Housing Opportunities for Persons With AIDS (HOPWA)

The IHSB expects that $622,000 will be available in Montana for HOPWA services over the three-year period ending March 2005. The funding is Montana's share of a $1.3 million, three-state (Montana, North Dakota, and South Dakota) grant award HUD announced in late 2001. The funds were part of competitively awarded grants for housing, services and technical assistance, primarily for new programs in rural areas that did not qualify for federal block grant funding for HOPWA.

In October 2004, the MDPHHS was awarded a HOPWA renewal grant of $1,450,800 to continue operating the Tri-state Housing Environments for Living Positively (TS HELP) program. This program is a continuum of housing and related supportive service opportunities for people living with HIV/AIDS and their families serving these three states, which do not qualify for direct HOPWA formula grant funding. TS HELP is a

partnership between MDPHHS, and four private agencies in North Dakota, South Dakota, and Montana: the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Missoula AIDS Council and Yellowstone AIDS Project in Montana.

Low Income Housing Tax Credit (LIHTC) Program

The Montana Board of Housing (MBOH) administers the Low Income Housing Tax Credit program[9]. The Board receives authority to allocate the tax credit through the Internal Revenue Code. Annual authority is estimated at $2,125,000.

OTHER RESOURCES AND PLANS

Numerous state and federal programs support the implementation of the state's Consolidated Plan. Interagency cooperation and coordination of state, federal, and local agencies and organizations is critical to the success of many projects.

The following summaries describe programs that either are in place or will be implemented in the near future. These plans support the overall implementation of Montana's Consolidated Plan with respect to affordable housing, public facilities, economic development, and homelessness.

Affordable Housing Revolving Loan Account Credit

Eligible individuals, corporations, partnerships, or small business corporations can contribute to the "affordable housing revolving loan account", which are eligible for a credit on their Montana tax return. For individuals, the credit is equal to 20 percent of the amount donated, up to $10,000. For corporations, the credit is equal to 10 percent of the amount donated up to $10,000. The credit may not be carried forward or carried back. In addition, the credit may not be claimed if the donation is taken as a deduction for tax purposes.

Elderly Homeowner/Renter Credit

An individual who has reached age 62 or older, has resided in Montana for at least 9 months of the tax period, has occupied one or more dwellings in Montana as an owner, renter, or lessee for at least six months of the claim period, and has less than $45,000 of gross household income may qualify for the elderly homeowner/renter credit. If the amount of the credit exceeds the taxpayer's liability, the amount of the excess is refunded to the individual. The credit, which cannot exceed $1,000, may be claimed even though the individual has no income tax filing responsibility. Consult the Montana Department of Revenue website at:

www.discoveringmontana.com/revenue/forindividuals/individualincome/incentivesiit.asp

[9] The Consolidated Plan does not cover MBOH programs; the programs are included for informational purposes.

Property Tax Exemption

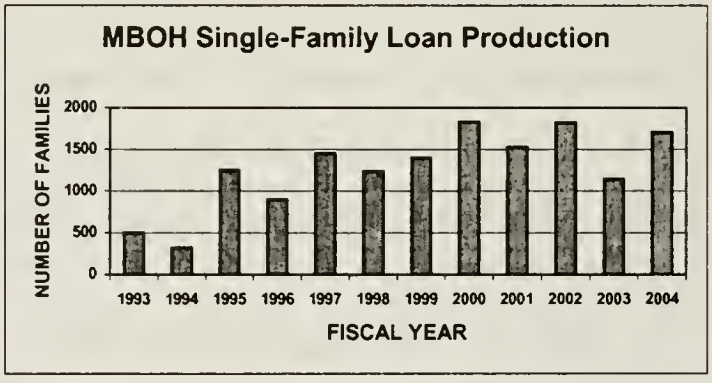
The 1999 Legislature enacted a bill exempting low-income rental housing property from taxation if low-income tax credits were allocated to the owner under federal law. Only the portion of the residential property dedicated to providing affordable housing for lower-income persons would be exempt. The property must meet additional restrictions by providing housing to an underserved population and providing a minimum of 50 percent of units to tenants at 50 percent of the median family income for the area.

Montana Board of Housing Programs

The Montana Board of Housing[10] was created by the Housing Act of 1975 in order to alleviate the high cost of housing for low-income persons and families. Funds are generated through either the sale of tax-exempt bonds or administrative fees. MBOH programs fall into three categories: home ownership, multi-family projects, and assistance to the elderly population. MBOH programs are often used in combination with HOME and CDBG funds, where the MBOH provides the permanent financing or equity financing.

Single Family Programs

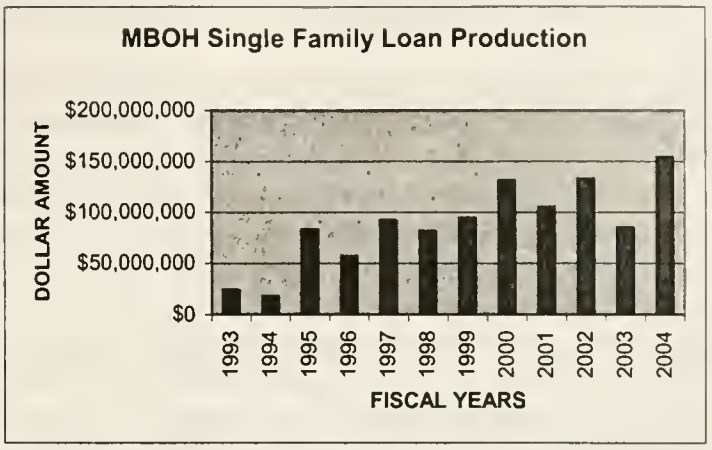
Single Family Mortgage Program: The MBOH works with about 280 lenders statewide to provide mortgages below conventional rates to assist primarily first-time homebuyers. MBOH anticipates assisting approximately 1,800 low- to moderate-income homebuyers with $130 to $160 million in low interest rate loans each year.



Mortgage Credit Certificate (MCC) Program: The MCC program, which began operation in April 2003, allows a qualified homebuyer to claim up to 20 percent of annual mortgage interest paid as a federal income tax credit. The remaining mortgage interest (80 percent) continues to qualify as an itemized deduction. The MCC may be used in conjunction with any conventional fixed or adjustable rate loan, FHA, VA or RD loans, or privately insured mortgage loans statewide, including loans made in Indian Country. During the first year, $500,000 in credit authority assisted 23 eligible homebuyers.

[10] The Consolidated Plan does not cover MBOH programs; the programs are included for informational purposes.

Single Family Recycled Mortgage Program: Through the use of recycled funds, MBOH is able to assist much lower income persons and families who do not have the financial capabilities to purchase safe and sanitary housing through other single family programs. The Board makes approximately $20 million available for financing very low-income families per year. Since 1986, 3,539 families have achieved homeownership with $171 million of recycled funds.



Disabled Accessible Affordable Home Ownership Program: The MBOH has a set aside of $9.55 million to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. Through June 30, 2004, the MBOH financed 156 homes with nearly $10 million in recycled mortgage funds. The average annual income of the households assisted is $16,587 with an average loan amount of $63,749.

Multi-Family Programs

MBOH issues tax exempt bonds to finance the construction of new, and rehabilitation of existing, low-income, multi-family housing. MBOH anticipates issuing bonds to finance projects that meet its requirements through the Multi-Family Risk Sharing program and its General Obligation Bond program.

Risk Sharing Program: The Risk Sharing program provides FHA mortgage insurance for the permanent financing of multi-family rental property through a partnership between MBOH and HUD. Through this program, the MBOH provides mortgage underwriting, loan management, and financing, and the two entities share the risk of loss from default.

General Obligation (GO) Bond Program: The General Obligation (GO) Bond program provides permanent mortgage financing for multi-family rental property. The program requires that the rental property owner agree to restrict the rents to a specific amount and to rent only to tenants below a maximum income level (generally 60 percent of median income). Currently this program is financing the permanent loans for projects receiving multiple sources of funding where rents on the projects are affordable to very low-income state residents.

Beginning in 1999, the Board issued Multi-Family Mortgage Bonds to preserve eight projects consisting of 434 units that were in jeopardy of being lost as affordable housing due to expiring HUD Preservation program contracts. In conjunction with other housing programs, the Board will continue to provide assistance to preserve affordable housing with expiring HUD contracts.

Reverse Annuity Mortgage (RAM) Loan Program

The RAM program enables elderly Montanans to benefit from an additional monthly income source by borrowing against the equity in their home. Eligibility is subject to certain age and income requirements. Currently a participant must be 68 years of age or older (some exceptions may apply). Loans of $15,000 to $100,000 are available at a 5 percent interest rate, based on 80 percent of the FHA determined property value. The loans do not require repayment as long as the homeowner remains in the home.

Low Income Housing Tax Credit (LIHTC) Program

The Low Income Housing Tax Credit program, established by Congress in the Tax Reform Act of 1986, is intended to provide for the retention, rehabilitation, and construction of low-income rental housing. The LIHTC program is administered by MBOH, which receives authority to allocate the tax credit through the Internal Revenue Code. Annual authority is estimated at $2,125,000. Through the tax credit benefit, developers and owners of qualified housing receive an annual federal tax credit for 10 years, based on the eligible basis costs of the rental units provided to low-income individuals and families.

Affordable Housing Revolving Loan Fund

The Montana Legislature passed the Affordable Housing Revolving Loan Fund into law during the 1999 legislative session; however, funding was not provided. The 2001 Montana Legislature appropriated $500,000 in Section 8 reserves and $700,000 of Temporary Assistance to Needy Families (TANF) funds for the loan fund. A third source of funding is direct donations, which qualify for a tax credit. The MBOH administers the fund. The revolving loan fund can be used to provide financial assistance in the form of direct loans for the following purposes:

- Matching funds for public or private money available from other resources for the development of low-income and moderate-income housing;
- Bridge financing necessary to make a low-income or a moderate-income housing development feasible;
- Acquisition of existing housing for the purpose of preservation of or conversion to low-income or moderate-income housing; or
- Pre-construction technical assistance to eligible recipients in rural areas and small cities and towns.

Organizations eligible for loans from the revolving loan fund are local governments, tribal governments, local housing authorities, nonprofit community or neighborhood-based organizations, regional or statewide nonprofit housing assistance organizations, or for-profit housing developers. All interest and principal on loans from the funds must be repaid to the loan fund; however, the loans have a 50-year term.

Montana Department of Commerce, Housing Assistance Bureau Programs

In addition to administering the HOME program, the Housing Assistance Bureau contracts with HUD as the statewide Public Housing Agency (PHA) using an annual Contributions Contract to provide program administration and services on Section 8[11] low-income housing programs on a statewide basis.

Project Based Section 8

The Montana Project Based Section 8 (PBS8) Contract Administration program contracts with HUD for management and oversight activities for 101 contracts involving 4,271 fixed location affordable rental units in Montana. PBS8 conducts annual on-site management reviews for the entire contract portfolio, approves and processes payment vouchers to property owners and agents, renews expiring contracts, evaluates rent increase requests, ensures all health and safety problems are quickly corrected, and provides general management and advisory services to project owners and management agents on behalf of HUD.

Tenant Based Section 8

The Tenant Based Section 8 (TBS8) program, using 40 local field agents in eleven locations throughout the state, provides field services, including issuing assistance, performing inspections, and examining annual income for participants and landlords assisted by the Bureau's programs. Housing Choice Vouchers is the main program in TBS8, with a HUD baseline of 3,666 units, and an annual budget of $17 million. Moderate Rehabilitation (Mod Rehab) is the other TBS8 program, with a budget of around $3 million annually and serving over 400 families. In essence a project-based program, Mod Rehab owners receive subsidized rent for qualifying participants. TBS8 provides a list of prospective tenants and inspects the rental units annually to insure continued compliance with Housing Quality Standards. The Housing Choice Vouchers program also includes Self-Sufficiency and Homeownership programs.

Montana Department of Commerce, Treasure State Endowment Program

The Treasure State Endowment Program (TSEP)[12] is a state funded grant and loan program designed to assist local governments with the construction and repair of drinking water systems, wastewater treatment facilities, sanitary or storm sewer systems, solid waste disposal and separation systems, and bridges in order to solve serious public health and safety problems. The program provides funds for construction projects (grants and loans), preliminary engineering grants, and grants for emergency situations.

[11] This Consolidated Plan excludes the Section 8 programs; the programs are included for informational purposes.

[12] The Consolidated Plan does not cover TSEP; the program is included for informational purposes.

Eligible applicants for the TSEP program include any incorporated city or town, county, consolidated government, tribal government, and county or multi-county water, sewer or solid waste management district. Construction grants typically require a dollar-for-dollar match, however, the match can include other grants. Applicants are limited to requesting a maximum of $500,000 for construction grants.

TSEP applications for funding construction projects are accepted in the spring preceding a legislative year. The applications are reviewed and ranked by the MDOC based on seven statutory priorities. Communities that are recommended for grant funds are required to have user fees that meet or exceed the community's "target rate." Target rates are based on a percentage of a community's median household income, making target rates a unique financial measure for each of Montana's communities and allowing TSEP staff to objectively compare the relative financial need of each applicant. The Governor reviews the MDOC's recommendations and submits recommendations to the Legislature. The Legislature makes the final decisions on funding awards. The following table summarizes the type of projects that have been awarded construction grants.

TSEP CONSTRUCTION PROJECTS APPROVED FOR FUNDING

	Water	Wastewater / Storm Sewer	Combined Water / Wastewater	Solid Waste	Bridges
1993	10	5		2	2
1995	8	5			2
1997	10	11			1
1999	13	17			2
2001	11	17			3
2003	16	10	2	1	11
Total Approved	**68**	**65**	**2**	**3**	**21**
2005*	14	19	1		13

The total amount of TSEP dollars granted to complete the approved projects is over $58 million.

The total cost to construct all the approved projects is over $282 million.

* Forty-seven (47) applications for funding construction projects were received by the MDOC in 2004; funds will be awarded by the 2005 Montana legislature

New to the program starting in state fiscal year (SFY) 2002, were grants to produce preliminary engineering studies. These non-competitive grants are especially useful to smaller communities that have problems to solve, but do not have the financial resources necessary to produce a preliminary engineering report that is required in order to apply for funds needed to complete a construction project. Grants for preliminary engineering are limited to $15,000 and require a dollar-for-dollar match, but the match cannot include other state grants. The program awarded approximately $425,000 in grants to 40 communities and counties for preliminary engineering studies in the first biennium. With $425,000 available again in SFY 2004-05, the program has awarded all of the new funds to 32 communities and counties.

Also new to the program in SFY 2002 were grants to remedy emergency situations. Grants for emergency projects are limited to $30,000 and the applicant is expected to expend its own financial resources first. In the first biennium, the program awarded

$78,871 to five projects that needed emergency funding. The program has $100,000 available to award for emergency projects during SFY 2004-05 and has provided $21,270 to three projects to date.

Montana Department of Natural Resources and Conservation, Renewable Resources Grant and Loan Program

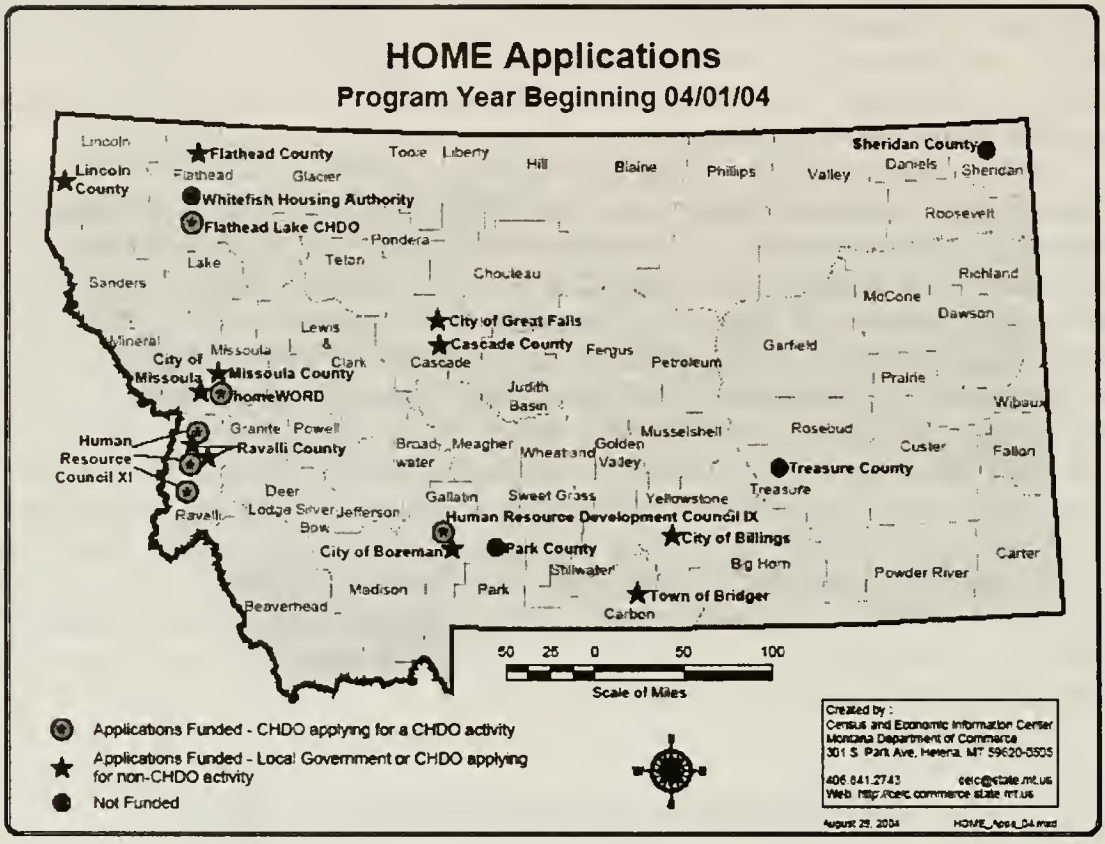
The Renewable Resources Grant and Loan (RRGL) program provides grant and loan funds to governmental entities for renewable resource projects that preserve, conserve, manage, and develop renewable resources. The Resource Development Bureau of the Montana Department of Natural Resources and Conservation[13] administers the program. Grant funding is limited to $100,000, and loan funds are available to the limit of the borrower's bonding authority. Interest subsidies for large loans are available subject to legislative approval. The RRGL program has $4.0 million available for grant funding each biennium. The next round of applications will be due in May 2006. Project planning grants are available to provide funding for preliminary engineering and technical analysis needed to identify alternatives for projects that qualify for the renewable resource grant and loan program. Grants of up to $10,000 are available, and must be matched on an equal basis by the project sponsor. Emergency grants of up to $30,000 are available on an open cycle for projects that, if delayed, will result in substantial harm to public health or the environment.

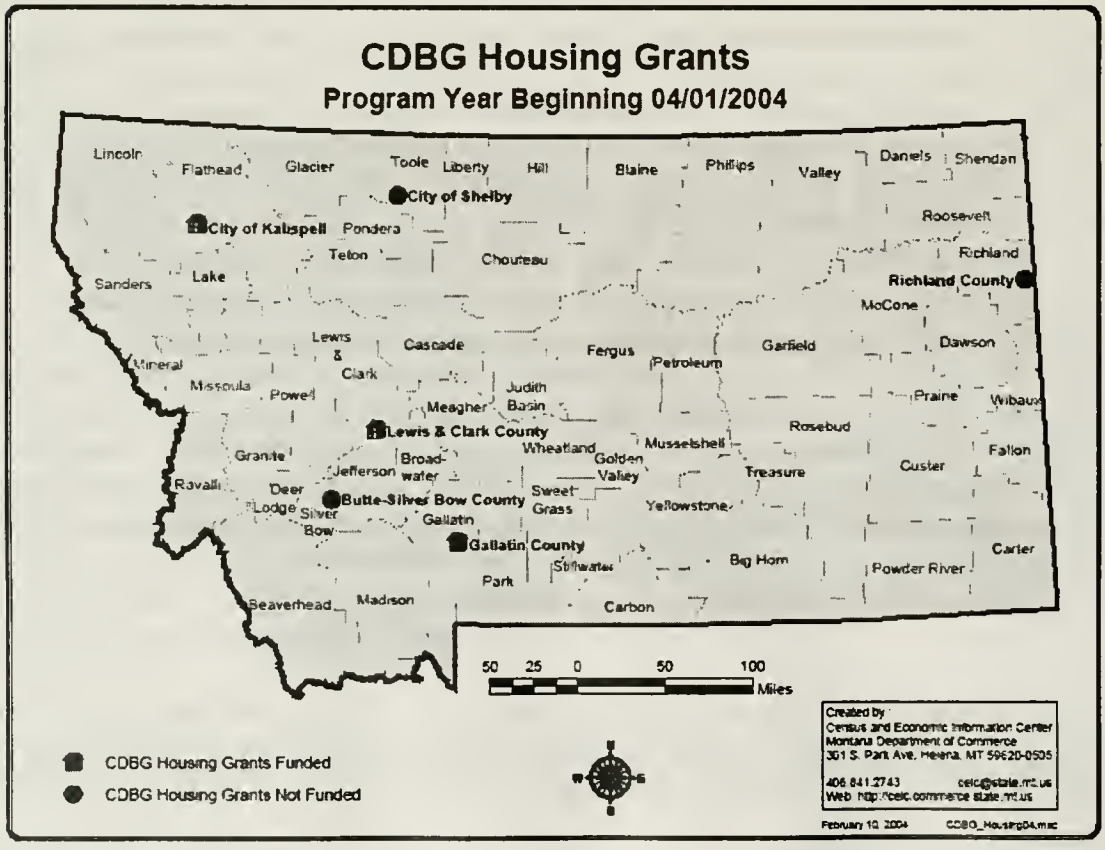
GEOGRAPHIC DISTRIBUTION OF FUNDS

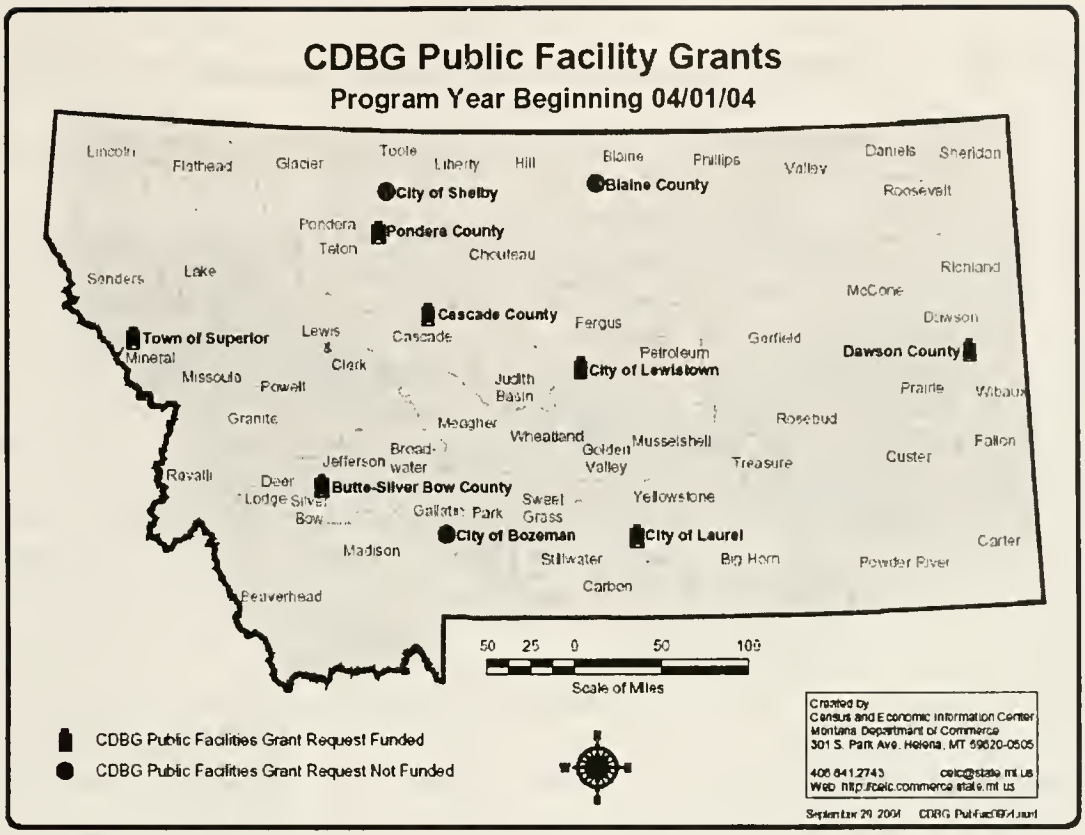
Housing and community development needs vary widely across Montana. The extreme diversity in available housing, age of housing stock, and overall range in population complicate the assessment of the type and degree of housing and community development needs. Because of the limited availability of resources and the extent of community development and housing needs, MDOC programs are implemented on a statewide competitive basis. Entities receiving CDBG and HOME funds must have previous grant awards substantially drawn down before they are eligible to apply for additional program funds. This method has been shown to disburse funds equitably throughout the state, allowing all groups an equal chance to apply for funds and providing an incentive for grant recipients to complete projects on a timely basis. Together, all funding methods, whether through a formula, as in the ESG grants, or competitive, as in CDBG and HOME grants, over time, tend to widely distribute grant assistance throughout the state. In order to view the geographic dispersion of last year's funding activities for CDBG and HOME, several geographic maps have been prepared.

[13] The Consolidated Plan does not cover MDNRC programs; the programs are included for informational purposes.

MAPS


HOME Applications
Program Year Beginning 04/01/04
Flathead County
Lincoln County
Whitefish Housing Authority
Flathead Lake CHDO
City of Great Falls
Cascade County
City of Missoula
Missoula County
HomeWORD
Human Resource Council XI
Ravalli County
Treasure County
Human Resource Development Council IX
City of Billings
City of Bozeman
Park County
Town of Bridger
Sheridan County
50 25 0 50 100
Scale of Miles
Applications Funded - CHDO applying for a CHDO activity
Applications Funded - Local Government or CHDO applying for non-CHDO activity
Not Funded
Created by :
Census and Economic Information Center
Montana Department of Commerce
301 S. Park Ave, Helena, MT 59620-0505
406.841.2743
Web http://ceic.commerce.state.mt.us
August 29, 2004
HOME_Appa_04.mxd


CDBG Housing Grants
Program Year Beginning 04/01/2004
City of Shelby
City of Kalispell
Lewis & Clark County
Butte-Silver Bow County
Gallatin County
Richland County
50 25 0 50 100
Miles
CDBG Housing Grants Funded
CDBG Housing Grants Not Funded
Created by
Census and Economic Information Center
Montana Department of Commerce
301 S. Park Ave, Helena, MT 59620-0505
406.841.2743
Web http://ceic.commerce.state.mt.us
February 10, 2004
CDBG_Housing04.mxd


CDBG Public Facility Grants
Program Year Beginning 04/01/04
Lincoln
Flathead
Glacier
Toole
Liberty
Hill
Blaine
Phillips
Valley
Daniels
Sheridan
Roosevelt
City of Shelby
Blaine County
Pondera
Pondera County
Teton
Chouteau
Richland
Sanders
Lake
McCone
Dawson
Cascade County
Fergus
Town of Superior
Lewis & Clark
Cascade
Garfield
Mineral
Petroleum
Dawson County
City of Lewistown
Missoula
Powell
Judith Basin
Prairie
Wibaux
Granite
Meagher
Rosebud
Wheatland
Golden Valley
Musselshell
Fallon
Jefferson
Broad-water
Treasure
Custer
Ravalli
Deer Lodge
Silver Bow
Butte-Silver Bow County
Gallatin
Park
Sweet Grass
Yellowstone
City of Bozeman
City of Laurel
Carter
Madison
Stillwater
Big Horn
Powder River
Carbon
Beaverhead
50 25 0 50 100
Scale of Miles
CDBG Public Facilities Grant Request Funded
CDBG Public Facilities Grant Request Not Funded
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406.841.2743
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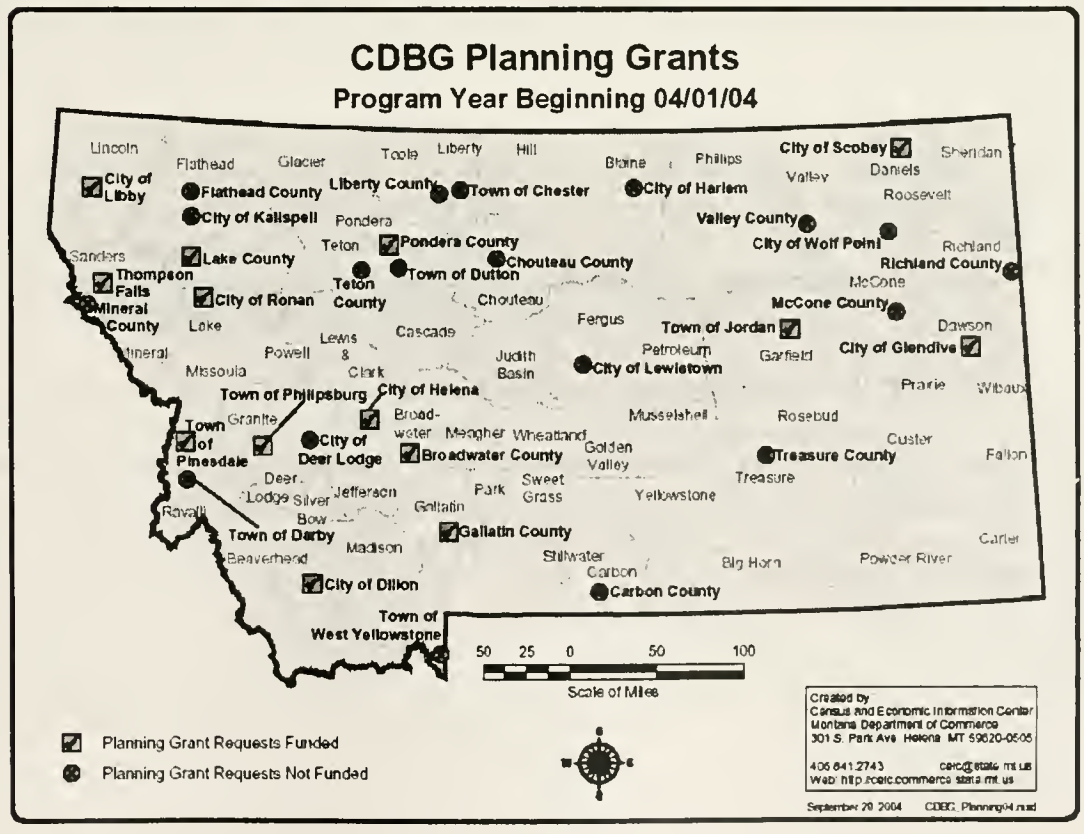
September 29, 2004


CDBG Planning Grants
Program Year Beginning 04/01/04
Lincoln
Flathead
Glacier
Toole
Liberty
Hill
Blaine
Phillips
Valley
Daniels
Sheridan
Roosevelt
City of Libby
Flathead County
Liberty County
Town of Chester
City of Harlem
City of Scobey
City of Kalispell
Pondera
Valley County
Teton
Pondera County
City of Wolf Point
Sanders
Lake County
Chouteau County
Richland
Richland County
Thompson Falls
Town of Dutton
Teton County
McCone
Mineral County
City of Ronan
Chouteau
McCone County
Lake
Fergus
Town of Jordan
Dawson
Lewis & Clark
Cascade
Petroleum
City of Glendive
Powell
Judith Basin
Garfield
Missoula
City of Lewistown
Prairie
Wibaux
Town of Philipsburg
City of Helena
Granite
Broad-water
Meagher
Wheatland
Musselshell
Rosebud
Town of Pinesdale
City of Deer Lodge
Broadwater County
Golden Valley
Custer
Treasure County
Fallon
Deer Lodge
Silver Bow
Jefferson
Park
Sweet Grass
Treasure
Gallatin
Yellowstone
Ravalli
Town of Darby
Gallatin County
Carter
Madison
Beaverhead
Stillwater
Big Horn
Powder River
Carbon
City of Dillon
Carbon County
Town of West Yellowstone
50 25 0 50 100
Scale of Miles
Planning Grant Requests Funded
Planning Grant Requests Not Funded
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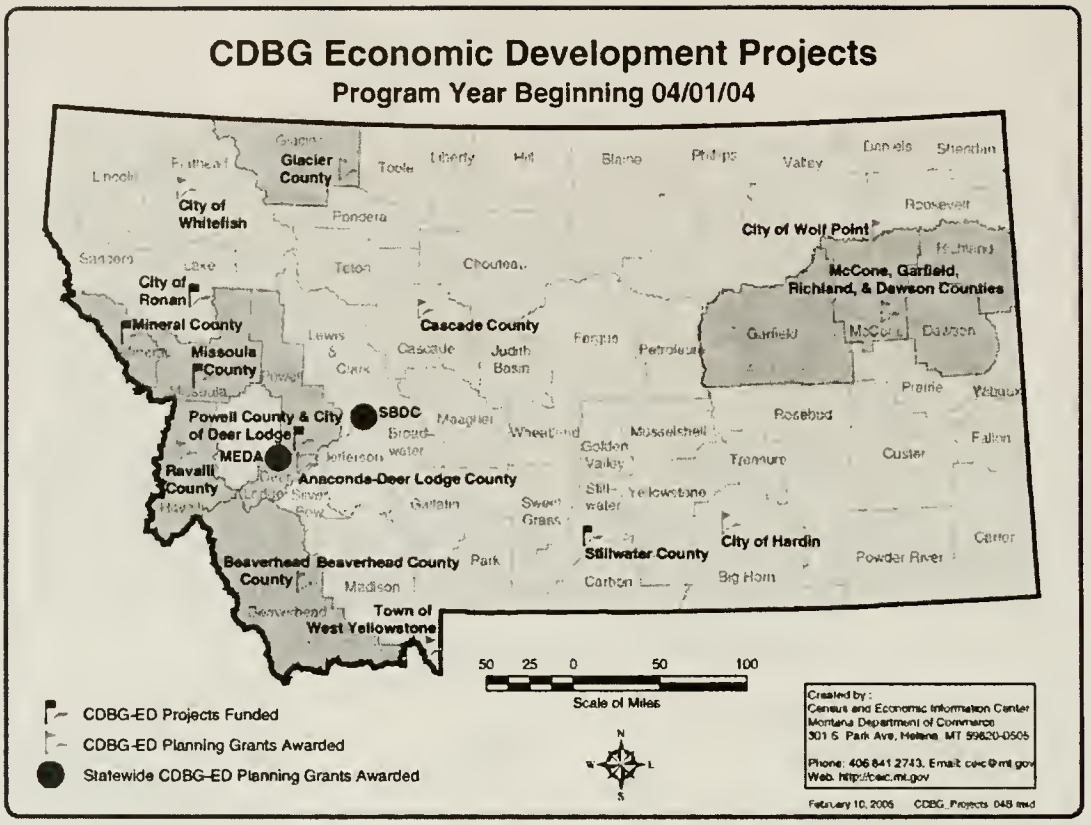
September 29, 2004


CDBG Economic Development Projects
Program Year Beginning 04/01/04
Glacier County
City of Whitefish
City of Wolf Point
McCone, Garfield, Richland, & Dawson Counties
City of Ronan
Mineral County
Missoula County
Cascade County
Powell County & City of Deer Lodge
SBDC
MEDA
Ravalli County
Anaconda-Deer Lodge County
Beaverhead County
Stillwater County
City of Hardin
Town of West Yellowstone
50 25 0 50 100
Scale of Miles
CDBG-ED Projects Funded
CDBG-ED Planning Grants Awarded
Statewide CDBG-ED Planning Grants Awarded
Created by :
Census and Economic Information Center
Montana Department of Commerce
301 S. Park Ave, Helena, MT 59620-0505
Phone: 406.841.2743. Email: cec@mt.gov
Web: http://cec.mt.gov
February 10, 2005 CDBG_Projects_04B.mxd

ACTIVITIES

DELIVERY OF PROGRAM SERVICES AND METHOD OF FUNDS DISTRIBUTION

Community Development Block Grant

For several years, HUD has been placing increasing pressure on all of the states and cities administering the CDBG program to expedite the expenditure of their CDBG funds. Because, on the national level, Congress believes that local governments have been slow in completing their CDBG projects, HUD finds it very difficult to persuade Congress to maintain constant levels of funding for the program while billions of CDBG funds remain "in the pipeline" unspent. It has also been difficult for Congress to understand the lag that occurs between its approval of an annual appropriation for CDBG nationally and the actual expenditure of those funds by a local CDBG project. HUD staff believes that there is a very real possibility that CDBG funds could be cut significantly because of Congress' concerns.

MDOC typically receives notification of the amount of Montana's CDBG allocation for each federal fiscal year (FFY) in April, six months or more into that federal fiscal year. Until recently, applications for CDBG public facilities grants were due in May and the grant awards for that year's funds were announced in August or September. This resulted in at least a five-month delay between when MDOC received its fiscal year allocation and when public facility funds were awarded. Applications for CDBG housing grants were due in the fall and the grant awards were usually announced in mid-winter. The lag time between receipt of the state's CDBG allocation and housing grant awards was seven to eight months or longer.

Overall, Montana has had a good record of accomplishment in the expenditure of CDBG funds, ranking in the top quarter of states in its rate of spending. However, in response to Congress' concerns and with HUD's encouragement, the MDOC changed the funding cycle beginning with the FFY 2003 and 2004 CDBG programs. To accelerate the funding cycle, the MDOC conducted grant competitions for FFY 2002, 2003 and 2004 funding allocations during a 24-month period.

The objective of this one-time only event was to establish a long-term annual grant application cycle for future years that would provide for the ranking of both housing and neighborhood renewal and public facility applications in the calendar year before the actual receipt of the FFY CDBG allocation that will fund those projects. This allows MDOC to award grants to communities immediately upon notification of that year's CDBG allocation. Grants are awarded in order of the ranking scores assigned during the previous calendar year's grant competition, based on the amount of funds allocated to the housing and neighborhood renewal and public facilities project categories. This eliminates the lag time between the receipt of the state's CDBG allocation and the award of those funds, as described above.

General-purpose local governments, towns and cities under 50,000 in population and counties, are eligible applicants for CDBG funds. Funds distribution for the CDBG **Housing and Neighborhood Renewal** category and the **Public Facility** category is based on annual grant competitions. The maximum grant request in each category is $500,000. Existing grantees must significantly drawdown their current funds before they are eligible to apply for additional program funds. Each local government may apply for one housing and neighborhood renewal project and one public facility project each program year. Montana's three entitlement cities, Billings, Great Falls, and Missoula are not eligible to apply for state CDBG funding since they receive their own CDBG funds directly from HUD.

The CDBG program sets aside funds for **Planning Grants** related to housing and neighborhood renewal and public facilities. The planning grant category is also based on an annual competition. Eligible applicants are the same as for the housing and neighborhood renewal and public facility categories. Planning grants can be used for a variety of planning activities including the initial planning necessary to get a project under way; conducting other community planning activities such as preparing or updating a comprehensive plan or growth policy; or preparing a neighborhood redevelopment plan, a housing study, preliminary engineering or architectural report, capital improvement plan, or similar planning processes needed to help a community address critical needs. The maximum planning grant ceiling is anticipated to be $15,000 for the plan year.

The state does not elect at this time to set forth community revitalization activities as a principal grant activity. Local government grantees are urged to consider community revitalization activities as a complimentary activity to one of the basic eligible housing and neighborhood renewal or public facilities activities, such as doing neighborhood revitalization (demolition, clean up, park development) in conjunction with a traditional housing rehabilitation project. In addition, planning for community revitalization is an eligible activity for a planning grant.

A public hearing on the CDBG Application Guidelines for FFY 2005 funds for economic development and planning grant funds (within the housing and neighborhood renewal and public facilities categories) and for FFY 2006 funds for housing and neighborhood renewal and public facility grants will be held on **February 8, 2005** with written comments being accepted through 5:00 P.M., on **February 15, 2005**. **Since the comment period closes after the Annual Action Plan is due to HUD, any changes to the CDBG Application Guidelines will result in an amendment to the Annual Action Plan.**

During calendar year 2005, the CDBG program anticipates applications for funds will be accepted as follows:

- FFY 2005 Planning Grants-Housing & Neighborhood Renewal and Public Facilities..... April 22, 2005
  Grant Announcement.....June 2005

- FFY 2006 Public Facilities Grants ..... May 27, 2005
  Grant Announcement ..... September 2005
- FFY 2006 Housing & Neighborhood Renewal Grants ..... November 4, 2005
  Grant Announcement ..... February 2006

The FFY 2005 public facilities category application deadline was May 28, 2004. Grant awards for approximately $3.2 million in CDBG funds were announced in late October 2004. The housing and neighborhood renewal application deadline for FFY 2005 funds, approximately $1.4 million, was November 19, 2004 with grant announcements expected in March 2005.

The **Economic Development** component of the CDBG program receives one-third, or approximately $2.4 million, of the annual allocation to the state of Montana. It is anticipated that the CDBG-ED Guidelines will be available in February 2005 and the CDBG-ED Planning Grant Guidelines will be available in May 2005. Applications are received and funds are awarded on a continuous cycle until all funds are committed. Once all funding is obligated, project development and funding awards may occur in anticipation of the next year's funding allocation.

Eligible applicants are local governments, which usually contract with local development organization to loan funds to for-profit businesses that agree to create jobs for low- and moderate-income persons.

The maximum funding amount is $400,000 per local government in a program year. Communities can continue to apply for funding throughout the program year until they have reached the maximum amount of $400,000 per local government. The applicant business must prepare a business plan and meet certain thresholds, including providing a 1:1 dollar match. Each application is reviewed by MDOC staff and a loan review committee that makes recommendations to the MDOC Director. The Director makes a final funding decision.

Project development and technical assistance are provided by the CDBG-ED Staff and the MDOC Regional Development Officers (RDOs). The RDOs, assigned specific territories within the state, work one-on-one with local officials, local development organizations, and CDBG-ED staff from the project idea stage through the CDBG-ED application process. (See Appendix D, page D-17, for a map of the RDO areas.)

The Business Resources Division sets aside approximately $225,000 in CDBG-ED funds for economic development planning, capacity building, and technical assistance grants. For plan year 2005, the BRD intends to use the set-aside funds for activities similar to those funded in recent years, but will establish specific application policies by May 2005. The policies will specify funding priorities, application procedures, and amounts available at that time for each subcategory. Funds not utilized for this category may be used for the regular CDBG-ED program.

HUD Section 108 Loan Guarantees will be available under exceptional circumstances. These loans will be available subject to the analysis and discretion of the MDOC Loan Review Committee and contingent upon the local government applicant and financing packager receiving assistance from an organization or individual consultant experienced with structuring Section 108 projects.

The CDBG-ED program also administers the EDA/CDBG Revolving Loan fund, a state-administered EDA revolving loan fund, matched with CDBG funds, and administered under CDBG guidelines. The program also provides assistance to Montana's emerging revolving loan fund industry.

The CDBG-ED program is a major player in economic development financing in Montana. Economic development projects have leveraged private lender funds and federal funds, including those from the U.S. Small Business Administration SBA 7a and 504 programs, U.S. Department of Commerce Economic Development Administration (EDA), and USDA Rural Development programs. Economic development projects have also leveraged funds available from state programs such as the Montana Board of Investments and the Montana Department of Agriculture's "Growth through Agriculture" program. For matching funds, the CDBG-ED program requires one non-CDBG dollar for each dollar of non-administrative CDBG funds requested. For program years April 2000 through March 2004, more than $12.2 million of CDBG-ED funds were awarded to 56 different local governments, leveraging approximately $161 million of private, state, and federal funds.

Specific guidelines that relate to the individual CDBG programs may be obtained by contacting the MDOC or by viewing the programs' websites at the following addresses:

- CDBG Public Facilities and Housing & Neighborhood Renewal:

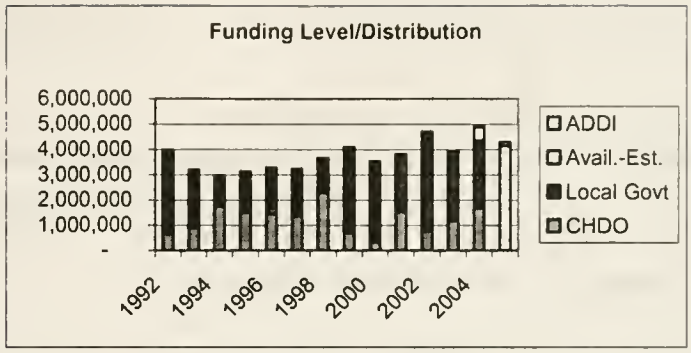
  http://commerce.mt.gov/CDD_CDBG.asp

- CDBG Economic Development:

  http://commerce.mt.gov/BRD_CDBG.asp

HOME Investment Partnerships Program

The HOME program, through a process of application and competitive ranking, will commit project funds in the second quarter of 2005. This timing allows better alignment with the construction season and better coordination with projects that involve Low Income Housing Tax Credits. Joint application workshops for the program year beginning 2005 were held in Miles City on October 13, 2004, Lewistown on October 19, and Missoula on October 21. In addition to the HOME program, the CDBG program, the Montana Board of Housing, and USDA Rural Development participated in the joint housing application workshops. Advance public notification of the dates and locations of all workshops was provided to possible applicants.



Program funds for HOME are distributed through a competitive process of grant applications with a deadline date of March 4, 2005. Eligible applicants include general-purpose local governments (counties, incorporated cities and towns, and consolidated city-county governments), Community Housing Development Organizations certified by the MDOC, and Montana public housing authorities. The maximum request for a HOME project is $500,000 (including soft costs) for homebuyer assistance, homeowner rehabilitation, rental rehabilitation, tenant based rental assistance (TBRA), and new construction. CHDOs receive a minimum 15 percent set-aside of each fiscal year allocation to perform ownership, sponsorship, and development of housing activities. Grantees (including all entities of a joint application) currently administering a HOME grant are eligible to apply for an additional HOME grant if:

- The grantee is in compliance with the project implementation schedule contained in its HOME contract with MDOC;
- There are no unresolved audit, monitoring, or performance findings for any previous HOME grant awarded to the applicant;
- Any open 2003 or 2004 grant has 75% of the project funds drawn down by March 4, 2005; and
- All grants over two years old (FFY 2002 and earlier) are completed and conditionally closed out before March 4, 2005.

The majority of the MDOC's ADDI funds will be granted according to the existing HOME program allocation process through competitive applications. A household may receive a maximum of $10,000 in ADDI funds. However, grantees may combine ADDI funds with regular HOME funds to provide more assistance to a household. Grantees that receive ADDI funds must demonstrate that they are conducting outreach to residents of public and manufactured housing. Additionally, recipients of ADDI funds must complete a homebuyer education course and must provide documentation to verify they are first-time homebuyers.

A portion of Montana's ADDI funds will be allocated non-competitively to the state's three entitlement cities: Missoula, Great Falls, and Billings, which are not large enough to receive an ADDI allocation. Since the MDOC's allocation of ADDI funds is based upon the number of low-income renters in the state relative to the number of low-income renters in the nation, the MDOC will grant funds to Missoula, Great Falls, and Billings based on the number of low-income renters in each city relative to the number of low-income renters in Montana. The cities will not be required to submit applications to the

MDOC, but will be required to demonstrate a viable plan for disbursing the ADDI funds in a timely manner.

Specific guidelines that relate to the HOME program may be obtained by contacting the MDOC Housing Division or by viewing the program's website at the following address:

http://housing.mt.gov/Hous_HM.asp

Emergency Shelter Grant Program

The **Emergency Shelter Grant program** will continue to use HUD funds to improve the quality of existing emergency shelters for the homeless, meet the costs of operating shelters and provide essential social services to help prevent homelessness. Ninety-five percent of the funds received will be allocated to the 10 regional Human Resource Development Councils (HRDCs) in Montana. While the funds available to the ESG program are less than those allocated to Montana's HOME and CDBG programs, the regional organizations are extremely dependent on the assistance received from the yearly allocation.

The 10 regional Human Resource Development Councils receive 95 percent of the $393,710 of HUD funds allocated under this program. Funds are distributed based on a formula allocation contained in Administrative Rules of Montana, ARM 53-10-502, pertaining to the Community Services Block Grant. This allocation reflects areas of poverty and general population.

Contact the Montana Department of Public Health and Human Services to obtain more information on and guidelines for the ESG program (Jim Nolan, Intergovernmental Human Services at 406-447-4260).

Housing Opportunities for Persons With AIDS Program

The Intergovernmental Human Services Bureau of the MDPHHS administers the three-state HOPWA program known as Tri-State HELP (TS HELP). Serving Montana, North and South Dakota, which do not qualify for direct HOPWA formula funding, TS HELP is a continuum of housing and related supportive services opportunities for people living with HIV/AIDS and their families. The mission of TS HELP is to provide access to affordable housing and supportive services to people living with HIV/AIDS and their families in a dignified manner. Tri-State HELP is a partnership between the MDPHHS, and four private agencies: the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Missoula AIDS Council and Yellowstone AIDS Project in Montana.

The project received $1,309,501 in December 2001 as a three-year competitive grant under HUD's HOPWA program to provide tenant-based rental assistance, emergency assistance, and housing coordination services to an estimated 70 individuals living with AIDS/HIV and their families. TS HELP represented the first multi-state HOPWA

competitive application, and thus presented an innovative model for delivery of HIV/AIDS housing and related social services.

In October 2004, the MDPHHS was awarded a HOPWA renewal grant of $1,450,800 to continue operating TS HELP. Over the three-year grant period, they will provide 100 tenant-based rental assistance subsidies, 55 short-term rent subsidies, and housing coordination services to an estimated 155 individuals living with HIV/AIDS and their families.

Program goals for TS HELP include:

- Improving coordination among housing and service providers in each state, including better integration of service delivery.
- Identifying service gaps and financial needs of people living with HIV, and develop strategies to address them. Strategies should acknowledge geographic differences between cities and rural areas.
- Developing an evaluation that measures the effectiveness of stable housing for clients and how the TS HELP program improved the quality of their life.

SPECIAL NEEDS AND MINORITY POPULATIONS

The Homeless

Breaking the long-term cycle of homelessness, tempered by short-term shelter, cannot be accomplished by building more shelters or facilities alone. Real help is enabling the homeless to rely on themselves. Besides a lack of shelter, homelessness involves a variety of unmet physical, economic, and social needs. A comprehensive, coordinated system of homeless assistance is comprised of a wide array of services, tools, and opportunities for the homeless. Homeless services will include a prevention strategy and will help the homeless in stages—to take them from an emergency shelter to permanent housing. The first stage involves emergency shelters. Here the homeless are provided with immediate shelter and assessed in order to identify an individual's or family's needs.

The second stage offers transitional housing and necessary social services. Included in these services are mental health and substance abuse counseling, vocational rehabilitation, education, family support, child care, independent living skills training, job training and placement, and employment opportunities where the homeless can both acquire and put to use new work skills.

The final stage is permanent housing or permanent supportive housing arrangements. While all three stages may not be needed by everyone, the community will have them available as part of the coordinated, comprehensive plan.

Continuum of Care

The Montana Continuum of Care (MT CoC) for the Homeless Coalition is a statewide collaboration of diverse homeless service providers, nonprofit organizations, and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. The system is predicated upon community and regionally based continuum of care systems, which form the statewide coalition and continuum of care process.

The MT CoC's mission is to maximize the resources that can be brought to bear in overcoming homelessness, to collectively direct the most efficient use of limited resources and to promote a unified system of outreach, referral, information sharing, planning, and service. The MT CoC participants share the benefit of leveraging each other's resources and efforts to provide increased and coordinated services to all homeless across the state.

Participation in the statewide coalition is open to anyone interested and new members are continually encouraged and recruited. Participants include representatives from local and state government, public housing authorities, regional HRDCs, and other nonprofit organizations representing the homeless, housing and service providers, emergency shelters, domestic abuse shelters, veterans organizations and mental health centers.

The CoC identifies, prioritizes, and supports projects and activities that enhance the integration and coordination of homeless services in Montana. Each community is encouraged to develop a local continuum in response to specific needs. Based on the local continuum, potential projects are identified and presented to the coalition. The group constructively critiques each project and provides comments and suggestions such as other possible funding sources and leveraging avenues. Projects are also critiqued based on the needs of the community and the integration of the project in relation to the overall statewide CoC. The coalition operates on consensus-based decision-making to identify projects most needy and worthy of support. The MT CoC then prepares a single, coordinated application in response to the Notice of Funding Availability (NOFA) for Shelter Plus Care and Supportive Housing.

Continuum of Care: Housing Gaps Analysis Chart				
		Current Inventory in 2004	Under Development in 2004	Unmet Need/ Gap
Individuals				
Example	*Emergency Shelter*	*100*	*40*	*26*
Beds	Emergency Shelter	450	0	87
	Transitional Housing	177	73	314
	Permanent Supportive Housing	128	15	598
	Total	**755**	**88**	**1,087**
Persons in Families with Children				
Beds	Emergency Shelter	275	0	89
	Transitional Housing	230	0	574
	Permanent Supportive Housing	24	0	550
	Total	**529**	**0**	**1,213**

Continuum of Care Homeless Population and Subpopulations Chart				
Part 1: Homeless Population	**Sheltered**	**Unsheltered**	**Total**	
	Emergency	**Transitional**		
Example:	*75 (A)*	*125 (A)*	*105 (N)*	*305*
1. Homeless Individuals	295 (N)	233 (N)	869 (N)	1,397 (N)
2 Homeless Families with Children	48 (N)	42 (N)	417 (N)	507 N)
2a. Persons in Homeless Families with Children	133 (N)	118 (N)	1,166 (N)	1,417 (N)
Total (lines 1 + 2a)	**428 (N)**	**351 (N)**	**2,035 (N)**	**2,814 (N)**
Part 2: Homeless Subpopulations	**Sheltered**	**Unsheltered**	**Total**	
1. Chronically Homeless	171 (N)	117 (N)	**288**	
2. Severely Mentally Ill	106 (N)	*Optional for Unsheltered*		
3. Chronic Substance Abuse	127 (N)			
4. Veterans	67 (N)			
5. Persons with HIV/AIDS	47*[46 HOPWA]* (N)			
6. Victims of Domestic Violence	129 (N)			
7. Youth (Under 18 years of age)	147 (N)			

The continued role of the statewide Continuum of Care is critical in meeting the needs of the homeless population in Montana. The coalition has formulated the following actions to promote and guide the group's work plan:

- ❑ Continue to conduct an annual statewide survey and resources inventory to count and assess homeless needs;
- ❑ Participate in the Montana Council on Homelessness;
- ❑ Inventory all state discharge policies and practices and promote evaluation of best practices and the adoption of new policies when needed;
- ❑ Implement a Homeless Management Information System (HMIS);
- ❑ Collect, analyze, publish and distribute survey findings;

- ❑ Conduct a minimum of five meetings annually;
- ❑ Continue to explore options for initiating a statewide uniform intake and referral system;
- ❑ Contribute to the annual update of the state Consolidated Plan.

Elderly and Frail Elderly

In Montana, the elderly demographic transformation over the next several years raises concerns about future implications for state and federal governments. The increase in Montana's aging population will have a significant impact on the state.

AGE PROFILE								
Census 1990 vs. 2000								
	United States				Montana			
AGE	1990	2000	% Change	% Total	1990	2000	% Change	% Total
Under 20 years	71,321,886	80,473,265	12.8%	28.6%	244,346	257,440	5.4%	28.5%
20 to 24 years	19,020,312	18,964,001	-0.3%	6.7%	47,769	58,379	22.2%	6.5%
25 to 34 years	43,175,932	39,891,724	-7.6%	14.2%	123,070	103,279	-16.1%	11.4%
35 to 54 years	62,801,989	82,826,479	31.9%	29.4%	209,062	277,029	32.5%	30.7%
55 to 64 years	21,147,923	24,274,684	**14.8%**	**8.6%**	68,321	85,119	**24.6%**	**9.4%**
65 & over	31,241,831	34,991,753	**12.0%**	**12.4%**	106,497	120,949	**13.6%**	**13.4%**
U.S. Census Bureau								

As the Baby Boom generation (those born between 1946 and 1964) reaches retirement age, the growth of the elderly population (65 and over) is expected to accelerate rapidly. The proportion of Montana's population classified as elderly is expected to increase from 13.4 percent in 1995 to 24.4 percent in 2025[14]. In Montana, the elderly demographic transformation over the next several years raises concerns about future implications for state and federal governments. The increase in Montana's aging population will have significant impact on the state. According to the 2000 Census, 13.4 percent of Montanans are over age 65, higher than the national average of 12.4 percent. At 9.4 percent of Montana's total population, the 55 to 64 age group is also higher than the national average, 8.6 percent. The 55 to 64 years and the 65 and over age categories also showed increases from 1990 to 2000 that were higher than the national average, with the 65 and older age group increasing by 13.6 percent and those aged 55 to 64 increasing by 24.6 percent. In comparison, the national increase in these age groups was only 12.0 percent and 14.8 percent, respectively.

- ❑ At 13.4 percent, Montana has the 14th highest percentage amongst states for people 65 years of age or older.
- ❑ Montana is 17th in percentage of people 85 and over.

[14] *Measuring the Years: State Aging Trends & Indicators Data Book*, Center on an Aging, Society Health Policy Institute, Georgetown University for the National Governors Association Center for Best Practices, August 2004; http://www.nga.org/center/databook04/

- The 2000 census showed Montana had 162 people who were 100 years old or older. Over 50,000 people in the U.S. were 100 years old or older. [15]
- By 2025, the percentage of Montanan's people 65 years of age or older is expected to rise to 24.4 percent, ranking it third in the nation. The percent of the population 85 and older is expected to be 3.1 percent, moving the state's ranking to fourth.[16]

The lack of affordable housing is a problem for many of Montana's citizens. The gap between Montana's lower income citizens and access to affordable housing is widening. Poverty continues to grow. Montana's poverty rate was estimated to be 14.1 percent in 2000, 13.3 percent in 2001, and 13.5 percent in 2002. This translates into more than 128,355 Montana citizens at or below the poverty lines, as defined by the federal government.[17] Housing prices continue to rise, making it more difficult for individuals to afford their own homes. The increasing pressures on the rental markets, in turn, drive up housing prices.

Individuals 80 and older require more health services and/or assisted living facilities. The demand for assisted living is determined by the size of the elderly population in need of assisted services, the level of income available to the senior, other types of senior living arrangements available to the person, and the level of health and other services for the elderly available in the community.

The MDOC intends to further analyze and report on the needs of its elderly population and the demand for assisted living in the state in the coming plan year in order to assist local communities to determine if assisted living housing is a viable option for them.

Persons with Disabilities

The 2000 U.S. Census enumerated 145,732 people over the age of five living in Montana with a disability (17.5 percent of the population). Many people with disabilities had more than one disability resulting in a total number of disabilities tallied of 258,723. The U.S. Census considers people five (5) years old and over to have a disability if they have one or more of the following:

- Blindness, deafness, or a severe vision, or hearing impairment;
- A substantial limitation in the ability to perform basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying;
- Difficulty learning, remembering, or concentrating; or
- Difficulty dressing, bathing, or getting around inside the home.

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[15] *The State of Aging in Montana 2001*, MT Department of Public Health & Human Services

[16] *Measuring the Years: State Aging Trends & Indicators Data Book*, Center on an Aging, Society Health Policy Institute, Georgetown University for the National Governors Association Center for Best Practices, August 2004; http://www.nga.org/center/databook04/

[17] *Economic and Demographic Analysis of Montana*, Volume I, December 2004

In addition to the above criteria, people 16 years old and over are considered to have a disability if they have difficulty going outside the home alone to shop or visit a doctor's office. People 16 to 64 years old are considered to have a disability if they have difficulty working at a job or business. Disability becomes more common as people age; the 2000 U.S. Census identified 40 percent of Montana's senior citizens as living with a recognizable disability. With the general demographic aging trend due to the baby boom generation, people with disabilities will constitute a greater percentage of the total population in years to come. Many Montana families experience disability; either directly or through providing aid and assistance to a family member with a disability.

The *Economic and Demographic Analysis of Montana*[18] reports that 19.7 percent of people with disabilities live in poverty, in comparison to Montana's overall poverty rate of 14.1 percent. Adults with disabilities are significantly less likely to be employed and possess a lower level of educational attainment than the population as a whole. This contributes to a greater general level of economic disadvantage among the disabled in Montana.

For more information on the economic and demographic characteristics of Montana residents with disabilities, see the appendix to Volume II of the *Economic and Demographic Analysis of Montana.*[19]

Persons with disabilities require supportive services in conjunction with the provision of affordable housing. Those persons with non-mobility related disabilities often require extensive special services, particularly those who are chronically homeless, chemically dependent, or mentally disabled. These individuals experience ongoing daily functioning difficulties because of their illness and many are unable to work due to their profound disabling illness.

The vast majority of Montanans living in the community who are severely disabled rely upon Social Security Income (SSI) or Social Security Disability Income (SSDI) and other public entitlement programs to pay for their living expenses. Effective January 2005, SSI income in Montana is $579 per month, or $6,948 annually, for an eligible individual and $869 a month, $10,428 annually, for an eligible couple.[20]

According to the national study *Priced Out in 2002*[21], in 2002, SSI of $545 per month, or $6,540 per year, represented only 22 percent of the one-person average median income for the state of Montana. People with disabilities receiving SSI benefits are among the lowest income households in Montana. On average, the *Priced Out in 2002* study documents that people with disabilities living on SSI income (in 2002) would pay

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[18] *Economic and Demographic Analysis of Montana*, Volume II, Demographic Analysis, Center for Applied Economic Research, Montana State University-Billings, December 2004.

[19] *Economic and Demographic Analysis of Montana*, Volume II Appendix, Disability Data, Center for Applied Economic Research, Montana State University-Billings, December 2004.

[20] Social Security Online website: http://www.socialsecurity.gov/; *Answers to your Questions - 2005 Social Security Changes*:

[21] Technical Assistance Collaborative and Consortium for Citizens with Disabilities Housing Task Force, May 2003

73 percent of their income for the Montana average HUD Fair Market Rent levels for a one-bedroom unit. (See table below.) When the percentage of income spent on housing costs exceeds 50 percent, the household is considered to be "severely" rent burdened and have "worst" case needs for housing assistance. On a national level, it is estimated that 25 percent of the households in the United States with "worst case" housing needs are people with disabilities.

In the absence of housing assistance, people with disabilities who rely on SSI income are likely to have few resources left over for food, medicine, and other necessary living expenses after housing expenses are paid. The result is that many will live in substandard housing, live in danger of becoming homeless, or in fact become homeless.

HOUSING AFFORDABILITY IN MONTANA

State Statistical Area	SSI Monthly Pmt[A]	% SSI for 1-Bdrm	% SSI for Efficiency Apt.[B]	SSI as % Median Income	SSI as an Hourly Rate[C]	Housing Wage
Montana						
Billings	$545.00	76.1%	65.5%	19.2%	$3.14	$7.98
Great Falls	$545.00	75.8%	65.5%	22.3%	$3.14	$7.94
Missoula	$545.00	76.9%	65.5%	20.7%	$3.14	$8.06
Non-Metropolitan Areas	$545.00	71.5%	62.2%	23.6%	$3.14	$7.50
State Average	**$545.00**	**73.3%**	**63.4%**	**22.4%**	**$3.14**	**$7.69**

[A] Federal SSI benefit for people with disabilities living independently in the community
[B] Percent of monthly SSI benefit needed to rent a modest studio apartment at HUD's Fair Market Rent
[C] SSI benefit expressed as an hourly wage for a full-time job

Source: *Priced Out in 2002*, Technical Assistance Collaborative and Consortium for Citizens with Disabilities Housing Task Force, May 2003

HIV/AIDS

Prior to 1997, housing needs were different than they are today. At that time, nearly all persons with HIV/AIDS were disabled by health reasons and qualified for disability determination, and thus disability income. The need for low-income housing was prevalent for these clients. However, local advocates, working within their communities, were often able to make a hardship case that these individuals should move to the front of the waiting list because of serious health concerns and the probability that they would not live a great deal longer. The advent of effective medical treatment has changed that scenario. People infected with HIV are able to maintain a much healthier status and frequently do not qualify for disability determination. Though they are healthier, they may not be able to work full time and they continue to need low-income housing. They also need housing in proximity to major healthcare centers to receive the extensive and specific treatment they will require for the remainder of their lives. Because their health status is improved, it is not as easy to make a hardship case to move them up in the waiting list, and it is more likely they will need low income housing for a much longer period of time.

As of December 31, 2003, a cumulative total of 612 cases of Human Immunodeficiency Virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS) had been reported to the Montana Department of Public Health and Human Services (DPHHS) since 1985. In 2003, HIV/AIDS was the eighth most common reportable disease in Montana with a combined total of 29 (10 AIDS, 19 HIV) cases reported. Approximately 347 individuals aware of their infection are known to be living with HIV/AIDS in Montana. An estimated 66 percent of these individuals have been diagnosed with AIDS. Forty of the state's 56 counties have reported at least one HIV/AIDS case since 1985. Montana remains a "low incidence" state with respect to HIV/AIDS, reporting fewer cases annually than all other states except Wyoming, and North and South Dakota.[22]

The geographic distribution of Montana's HIV/AIDS cases closely reflects the state's overall population distribution. Montana's eight largest counties account for approximately 80 percent of all reported HIV/AIDS cases since 1985. Cases reported during the last two years show no significant change. In fact, nearly 90 percent of all cases identified in the last two years resided in the eight largest counties.[23]

Currently, HIV/AIDS does not appear to have had a disproportionate impact on Montana's American Indian population. American Indians represent approximately 6 percent of the state's population and represent 7 percent of the HIV/AIDS cases reported. Fortunately, the state has not experienced the increase in cases among racial/ethnic minority groups experienced by larger urban areas of the nation. While the number and characteristics of cases among American Indians differs little from those of the general population, other markers of potential HIV risk (teen pregnancies, STD rates) suggest an increased level of risk among American Indians when compared to non-Indian populations.[24]

Addictive and Mental Disorders

People with serious disabling mental illness are served through mainstream subsidized housing programs throughout Montana, but are most strongly impacted by the general shortage of affordable housing in many communities in Montana. Efforts by people with mental illness to find decent, stable, affordable, and safe housing are hampered by their very low fixed incomes, diminished daily living skills, stigma related to mental illness, difficulty presenting well to prospective landlords, lack of specialized housing services, and the general shortage of affordable housing. As a group, people with mental illness exhibit among the highest need for affordable housing in the state of Montana. People with mental illness have difficulty maintaining their housing without specialized supportive mental health services.

The Montana Homeless Continuum of Care 2003 Statewide One-day Snapshot Survey conducted in April 2003 points to mental illness as one of the leading contributors to

[22] *2005-2007 Comprehensive HIV Prevention Plan,* Community Planning Group for HIV Prevention Project, August 2004
[23] *Ibid.*
[24] *Ibid.*

homelessness in Montana[25]. The survey, an attempt to reach as many homeless individuals and families as possible, is a point-in-time survey taken in seven urban centers in Montana. It is impossible to conduct an exhaustive count, but the attempt is made to provide a reasonable indication of the extent of the problem and to profile who the homeless are in Montana.

The 2003 survey identified 1,380 homeless individuals and 516 homeless families, with 1,417 family members, identifying a total homeless population of 2,797. A total of 707 individuals and family spokesman self-identified that they needed mental health care or medication, and 13.2 percent of individuals and 9.3 percent of heads of families reported that a physical disability contributed to their homelessness. Nearly half of the individuals (48.5 percent) and families (47.2 percent) stated that they needed medical care. According to the National Coalition for the Homeless, approximately 20 to 25 percent of the single adult homeless population suffers from some form of severe, persistent mental illness. This is relatively consistent with the Montana survey results. (Note: The survey does not address disability related to chronic health conditions, developmental disabilities, or other disabilities related to cognitive functioning.)

2003 SURVEY OF THE HOMELESS		
	Individuals	Families
Issues Contributing to Homelessness:		
Mental health	27.2%	16.7%
Drugs/alcohol	33.7%	18.0%
Physical disability	13.2%	9.3%
Co-occurring substance abuse & mental illness	12.7%	5.6%
HIV/AIDS	0.4%	0.2%
Self-Identified Needs:		
Drug/alcohol treatment	27.4%	20.7%
Mental health treatment and/or medication	38.9%	31.8%
Note: Respondents can select one or more answers that apply to their situation.		

Many adults with serious disabling mental illness can only maintain a living arrangement with close, ongoing supervision and support of mental health service providers. Specialized housing and community living programs for people with mental illness are limited in number and are offered in only a few communities in the state. A significant need exists for a continuum of specialized supportive housing opportunities for people with serious disabling mental illness distributed throughout communities across the state of Montana. This need for continuum of supported housing ranges from group homes to supported apartment living to specialized residential programs for people experiencing difficulties related to both mental illness and substance abuse. These specialized supportive housing programs linking appropriate housing to necessary supportive mental health services offer the best opportunity for stable, successful community living for people with serious disabling mental illness. Homelessness and inadequate living arrangements are frequently associated with adults with severe and disabling mental illness (SDMI). Persons with SDMI need a variety of housing options ranging from supervised group living to independent home ownership. In order to assure an opportunity for these individuals to actually achieve a "home", regardless of the nature of physical structure, it is also essential that mental health agencies offer rehabilitation and support services to assist the consumer in successful participation in the community.

[25] *Homeless in Montana*, Montana Department of Public Health and Human Services, 2004

Minority Populations

Montana has a significant Native American population comprising the second largest segment of the population, 6.2 percent. Combined, the Asian and Native Hawaiian/Other Pacific Islander populations total 0.6 percent. The Black/African American population in Montana is very small at 0.3 percent, with the greatest area of concentration in Cascade County.[26]

RACE / ETHNICITY	
Race / Ethnicity	**Percent**
White population	90.6%
Native American (American Indian/Alaska Native)	6.2%
Two or more races	1.7%
Some other race	0.6%
Asian	0.5%
Black/African American	0.3%
Native Hawaiian/Other Pacific Islander	0.1%
Hispanic or Latino population	2.0%

Data for Race / Ethnicity is from Census 2000 unless otherwise noted
Source: Census and Economic Information Center, Montana Department of Commerce

Native American Population

The majority of Native Americans reside on Montana's seven Indian Reservations located throughout the state (see map in Appendix D, page D-1). Glacier, Big Horn, Roosevelt, and Blaine counties have the largest percentage of Native American residents: Glacier - 62 percent; Big Horn - 60 percent; Roosevelt - 51 percent; and Blaine - 45 percent. Other counties with relatively large percentages of Native American residents are Rosebud, Lake, Hill, Chouteau, and Pondera.[27]

Applications for the CDBG and HOME programs are received from all areas of the state, including areas of concentrated minority populations such as towns located within reservation boundaries, county-sponsored water and sewer districts, and counties which include designated reservation land.

The HOME program accepts applications from CHDOs around the state. Approximately one-quarter of the 31 certified CHDOs in Montana have reservation land within their service areas and are encouraged to apply for HOME funds for projects in those areas. The Ktunaxa Community Development Corporation (Flathead Reservation) and the Wolf Point Development Corporation (Fort Peck Reservation) are endorsed by tribal council and have amended original by-laws to meet the requirements to become state of Montana certified CHDOs.

The HOME program works extensively with all CHDOs and local governments to meet the housing needs of all residents within an applicant's jurisdiction. All applications received are ranked according to program ranking criteria, and funds are distributed for projects that meet the greatest need in Montana.

The 2003 Montana Legislature passed House Bill 608, an act relating to the government-to-government relationship between the Montana Indian Tribes and the

[26] U.S. Census Bureau, Washington, DC 20233, Released March 21, 2001. Compiled by: Census and Economic Information Center, Montana Department of Commerce.

[27] U.S. Census Bureau, Washington DC 20233, Released March 21, 2001. Compiled by: Census and Economic information Center, Montana Department of Commerce.

state of Montana. HB608 provides for tribal consultation in the development of state agency policies that directly affect Indian tribes, authorizes certain state employees to receive annual training, provides for annual meetings between state and tribal officials, and requires that an annual report of the actions be produced by state agencies.

When formulating or implementing policies or administrative rules that have direct tribal implications, state agencies are directed to consider the following principles:

- ❑ A commitment to cooperation and collaboration;
- ❑ Mutual understanding and respect;
- ❑ Regular and early communication;
- ❑ A process of accountability for addressing issues; and
- ❑ Preservation of the tribal-state relationship.

At least once a year, state agency managers and key employees who have regular communication with tribes will receive training on the legal status of tribes, the legal rights of tribal members, and social, economic, and cultural issues of concern to tribes. This training is to be provided by the Department of Justice and a trainer selected by the tribal governments. In addition, each year the governor, along with state agency representatives and tribal officials, may review the policies that directly affect tribal governments and tribal populations, and recommend changes and/or formulate solutions to the policies.

State agencies are directed to submit a report by December 15 of each year to the governor and to each tribal government on the activities of the state agency relating to tribal government and tribal populations. The report must include:

- ☑ Any policy that the state agency adopted that directly impact the tribes;
- ☑ The name of the individual within the state agency who is responsible for implementing the policy;
- ☑ The process that the state agency has established to identify the programs of the state agency that affect tribes;
- ☑ The efforts of the state agency to promote communication and the government-to-government relationship between the state agency and the tribes;
- ☑ The efforts of the state agency to ensure tribal consultation and the use of American Indian data in the development and implementation of agency programs that directly affect tribes; and
- ☑ A joint description by tribal program staff and state staff of the required training.

Efforts to Further Native American Housing Opportunities

In June 2002, President Bush announced the "America's Homeownership Challenge" and challenged the public and private sectors to work together to reach or exceed the

goal to increase the number of minority homeowners by 5.5 million by the year 2010. As previously stated, the largest minority group In Montana is comprised of Native Americans.

Section 184 Indian Housing Program: The Indian Home Loan Guarantee program is a relatively new and innovative housing program to enable Native American families and Indian Housing Authorities (IHAs) to gain access to sources of private financing. A Native American who will occupy the property as his/her principal home and has met certain credit and underwriting standards is an eligible borrower. An IHA is an eligible applicant as well. IHAs may borrow funds for the development of single-family homes that may be subsequently sold to eligible borrowers. To apply, they can visit any approved lender (financial institution) and apply for a mortgage loan.

The Montana Board of Housing set aside $1,000,000 in recycled mortgage funds to provide the permanent financing for qualifying lower income individuals for single family homes located on trust land on an Indian Reservation that are guaranteed by HUD through Section 184 for Native Americans. The MBOH worked with local banks, tribal representatives, bond counsel, state and regional HUD officials to get special consideration and guarantees from the Secretary of HUD in Washington D.C. to enable the MBOH to participate in this program.

Before the 184 Loan Guarantee program could be utilized in Montana, each Tribe needed to adopt foreclosure and eviction procedures. All of Montana's tribes, except one, have adopted the procedures. In addition, there must be an agreement between the Tribe and the MBOH for a guarantee. To date, 12 loans have been closed statewide for a total of $888,663.

Native American Housing Loan Guarantee Program: The MBOH set aside $1,000,000 in mortgage prepayments to be recycled into permanent financing for 20 to 30 single-family homes for Salish and Kootenai tribal members on the Flathead Reservation. The Tribal Housing Authority is guaranteeing the loans. These funds will constitute 40 percent of each financing and will leverage 60 percent of Rural Development Funds. This is a pilot program to encourage tribal entities to partner in conventional home financing for their members. To date, one loan has closed and 12 more are in process.

Talks are continuing between the MBOH and two other tribes to participate in this program.

Additionally, the Montana Homeownership Network, an affiliate of Neighborhood Housing Services extended its down payment and closing cost assistance to the Rocky Boy's, Flathead, and Fort Peck Reservations. Services offered to potential homebuyers on the reservation and statewide include credit counseling, homebuyer training, and foreclosure prevention. MHN provides second mortgages statewide (not just to the reservations) for down payment and closing cost assistance with funding received from Neighborhood Reinvestment.

The MBOH Low Income Housing Tax Credit program has funded six projects submitted by three tribes in Montana. The Salish and Kootenai have built three projects totaling 40 units. Twenty of those units are single-family homes positioned for eventual home ownership. The Salish and Kootenai are currently working on rehabilitation of 33 single-family rental homes that received a tax credit allocation in 2002. The Salish and Kootenai were also awarded tax credits in 2004 to build 12 additional units. The Blackfeet have leased up 20 single-family rental homes they completed. The Fort Belknap Housing authority also received tax credits for 22 single-family rental homes. In 2004, tax credits were allocated to the Blackfeet to build 35 new houses in the Browning and Heart Butte areas. Tax credits were also allocated to the Chippewa Cree to rehabilitate 31 houses in Box Elder, but the credits were returned later in the year.

Tax credits and Native American Housing Assistance and Self-Determination Act (NAHASDA) funds have been shown to work well together and projects submitted by the tribes continue to score well as the Indian lands in Montana show a great need for safe, decent, affordable housing.

Additionally, the Montana Partnership Office (MTPO) of Fannie Mae has been instrumental in promoting Native American homeownership opportunities in the state. The Native American Homeowners Task Force meets monthly and discusses every tribe and their respective activities. Fannie Mae personnel work on establishing a legal framework for the secondary market. Fannie Mae is a member of the statewide task force that has held "Pathways to HomeOwnership" seminars on the Crow, Northern Cheyenne, Fort Peck, Blackfeet and Flathead reservations, and homebuyer education and training sessions as a follow-up to the Pathways seminars.

Montana Resource Conservation and Development (RC&D) Areas and the Montana Homeownership Network are establishing construction curriculums at Blackfeet, Fort Belknap, and Rocky Boy's. Fannie Mae has subsidized the expenses involved in getting high school and tribal college teachers certified to teach construction trades to students.

Education has been a large focus. Through the Fannie Mae Foundation, which established the "Building Native Communities" Financial Literacy Curriculum, 30 teachers have been certified. The Native American Development Corporation and Montana Credit Unions received funding to implement a "First Accounts" program. Fannie Mae facilitates the organizations' efforts and coordinates with them to reach the goal of training and getting minorities and Native Americans to open bank accounts and ward off predatory lenders.

Native American Housing Symposiums: Tribal members from Montana and Wyoming have attended the Native American Housing Symposiums conferences held annually beginning in 2001, dedicated to developing solutions for increased affordable housing on native lands. Each year, the United Native American Housing Association (UNAHA) and the Montana and Wyoming Fannie Mae Partnership Offices bring together nearly 150 tribal members, housing specialists, lenders, developers, and nonprofit groups that specialize in tribal housing issues to discuss efforts to increase affordable housing on

tribal lands. The conference features workshops on predatory lending, working with the Bureau of Indian Affairs, Low Income Housing Tax Credits, Earned Income Credits, veterans housing benefits, and Fannie Mae's Home Counselor Online. Presenters include the Montana American Homeowners Task Force, the Wyoming Indian Housing Coordinating Committee, First Interstate Bank, HUD, the Internal Revenue Service, the MBOH, and representatives from local tribes.

Salish and Kootenai Tribe Investments: The MTPO works with the Salish and Kootenai Tribal Housing Authority to find opportunities for investment in their housing projects. Fannie Mae made an equity investment in Elmo Elder Living Center, an affordable senior rental housing development located on the Flathead Indian Reservation. Elmo Elder Living Center offers 10 one-bedroom units starting at $150 per month, and was developed by the Salish and Kootenai Housing Authority utilizing public and private financing to maintain affordability. The MTPO also provided a $5,000 grant to the housing authority to support the creation of a Montana-Wyoming lending consortium.

Expanding Native American Lending: The MTPO facilitated homeownership opportunities for the state's Native American population. Building on relationships with tribal leaders, the MTPO assisted tribes with establishing the legal and regulatory framework necessary for lending on tribal and trust lands, as well as opportunities for Title VI and Low Income Housing Tax Credit programs. The MTPO also supported key homebuyer education and financial literacy efforts of partners across the state, such as the Montana Homeownership Network's support of the RC&Ds. The Montana American Indian Homeownership Task Force, a partnership of Countrywide Home Loans, First Interstate Bank, HUD, USDA Rural Development, MBOH, and Fannie Mae, worked with each tribe to address individual mortgage lending issues and to coordinate efforts in a uniform manner. The Task Force also implemented "Pathways to HomeOwnership," an effort to provide homebuyer education and pre-qualification on four reservations. Fannie Mae has purchased single-family loans and invested in tax credit projects with the Blackfeet and the Confederated Salish and Kootenai Tribes.

ADDRESSING LEAD-BASED PAINT HAZARDS

LEAD-BASED PAINT REGULATIONS, TITLE X, SECTION 1012/1013

The Lead-Based Paint Task Force was developed in the spring of 2000 to address the issues surrounding the HUD lead-based paint (LBP) regulations for pre-1978 homes, known as Title X, Section 1012/1013, which went into effect on September 15, 2000. The Task Force initially identified a lack of capacity of certified personnel in the state to meet the lead-based paint regulations as its number one priority.

Montana, a rural area composed of three CDBG and HOME entitlement communities (Billings, Great Falls, and Missoula) and seven Native American Reservations with sovereign governments, has made progress in securing EPA-certified inspectors, risk assessors, supervisors, and workers since the lead-based paint regulations went into

effect. However, few of the programs in Montana are fully prepared to meet LBP compliance regulations.

In 2000, Montana partnered with the Montana State University (MSU) Extension Service to bring Environmental Protection Agency (EPA) certified trainers from North Dakota to Montana to conduct two training seminars: one for LBP inspector and LBP risk assessor training and one for LBP supervisors and LBP workers. Many people attended the training; however, after careful consideration, over three-fourths opted not to continue the certification process. The reasons for their decision vary, but include travel restrictions, excessively high EPA certification costs, a very cumbersome certification process imposed by EPA and HUD, and the cost of liability insurance.

The MDOC promoted free HUD training whenever it was offered in the state; unfortunately, scheduled training was often cancelled due to perceived low enrollment. The continued cancellation of courses by HUD created a "credibility issue" and people interested in the training were reluctant to sign up for it because of the uncertainty involved. HUD did not seem to understand the difficulty in getting large numbers of people in one location for training due to the large geographic area and sparse population in Montana.

Better results were achieved in January 2004 at a free training sponsored by the National Paint and Coatings Association (NPCA). This no-cost training program, which meets the HUD-EPA curriculum, is sponsored by the NPCA and is the result of a cooperative agreement between the NPCA and the individual states. (For more information, go to **http://www.leadsafetraining.org**.) MasiMax Resources, Inc. offered the *Joint EPA—HUD Curriculum: Lead Safety Training Program for Remodeling, Repair and Painting* course on January 29, 2004 in Helena. Approximately 30-35 people attended the course, including a number of contractors from around Montana and North Dakota.

LEAD-BASED PAINT REGULATION COMPLIANCE CAPACITY

Type of Assistance	Notification	Visual Inspection	Risk Assessment	Clearance	Interim Controls	Abatement
Housing Rehabilitation	Yes	Yes	No	No	No	No
Rental Assistance	Yes	Yes	No	No	No	No
Homebuyer's Downpayment Assistance	Yes	Yes	No	No	No	No
Acquisition	Yes	Yes	No	No	No	No

In-state LBP training is essential if HUD expects Montana to continue its commitment to meet federally imposed LBP regulations. The Lead Listing website, **http://www.leadlisting.org/LeadListing/TrainingProviders.nsf/docs/home,** provides information on private lead training providers; however, few of the trainers certified to provide training in Montana actually do so. Currently, the Lead Listing website for lead training providers does not have any training courses listed for Montana.

Based on the number of houses in Montana that were built in or before 1979, it is estimated that there are nearly 285,500 Montana units at risk of containing lead-based paint. Although this is approximately 69 percent of the housing units in the state, it is important to note that one cannot assume all of these units contain lead-based paint and the presence of lead-based paint alone does not indicate the extent of exposure hazards. Education and awareness of the potential hazards and the need to properly maintain, control, and abate paint potentially containing lead is crucial.

The more populated areas of the state have workers trained in lead-safe work practices, qualifying them to work on rehab projects costing less than $25,000. This covers most of the single-family rehabilitation projects conducted with federal funds. Rural areas of the state, where rehabilitation is often the largest part of housing strategies, remain under-prepared to address lead-based paint hazards. A large portion of rehabilitation program budgets now goes to addressing LBP hazards.

The MDOC does not have a lead testing or abatement program in place at this time and does not plan to test or study housing units located in the state. However, for projects assisted with HOME or CDBG funds, grantees are required to ensure that the appropriate notification, inspection, testing, interim controls or abatement, and clearance activities are followed. In addition, the HOME and CDBG programs present information on the LBP regulations and lead-safe work practices at its application and grant administration workshops.

Further, the MDOC promotes lead-based paint training whenever it is aware of it being offered in the state. Currently, the more populated areas of the state have workers trained in lead-safe work practices, qualifying them to work on rehab projects costing less than $25,000. Rural areas of the state, however, remain under-prepared to address lead-based paint hazards.

The state does have one accredited lead analysis laboratory, Northern Analytical Laboratories of Billings, which can perform analyses on paint chips, dust wipes, and soil. The state also has several individual contractors and a few companies certified to perform LBP activities within the state; however, coverage is spotty, and the construction industry and the persons involved in construction are constantly changing.

The MDOC recently partnered again with the MSU Extension Service to expand LBP training opportunities. MDOC provided financial support for MSU staff to become accredited to provide EPA training for Inspectors and Risk Assessors. MDOC's hope is that underserved areas of the state will take advantage of this new, local resource to become EPA certified and/or to remain current in existing certifications.

MONTANA'S CHILDHOOD LEAD POISONING PREVENTION (CLPP) PROGRAM

Montana CLPP assesses the prevalence and incidence of lead exposures of young children in Montana by monitoring blood lead levels. Counties have been evaluated for risk according to poverty statistics of young children and the amount of older housing

and the general condition of the housing. Review of this information indicated an appropriate method to reach children living in pre-1950 housing is to access children enrolled in the Special Supplemental Nutrition program for Woman, Infant, and Children (WIC). Specifically, children whose income levels are below the threshold for eligibility in the Medicaid program are assessed. Due to reductions in funding for screening services, only individuals with Medicaid or another private source of funding qualify for the test.

The Butte Lead Projects

Butte Childhood Lead Poisoning Prevention Program (CLPPP)

Butte continues to have a higher prevalence of elevated blood-lead levels in children when compared to other Montana counties. The Butte-Silver Bow Health Department received SUPERFUND-related monies to operate a local CLPPP. Program activities included community education, blood-lead testing, soil removals, and lead hazard abatement for owner-occupied housing units.

According to 1990 U.S. Census of Housing data, the median year of construction of all housing units constructed in Silver Bow County is 1943. In comparison to the other most populated counties, Missoula County has the next oldest median year at 1959, followed by Cascade (1960), Yellowstone (1970), Flathead (1972), and Gallatin (1972).

Butte HUD Lead Hazard Control Program (LHCP)

In April 1998, the Butte-Silver Bow Health Department received a $558,000 lead hazard control grant from HUD. This three-year grant expanded CLPPP activities to specifically address lead-based paint hazards in low-income rental housing. Past analysis has estimated that as many as 79% of the children involved in case-management for elevated-blood lead levels since the inception of the CLPPP live(d) in rental properties. The LHCP was awarded a second HUD grant in February 2001 for $545,000, and activities under this grant began in April 2001. The program addressed lead hazards in low-income rental properties. One of the primary goals was to develop a pool of local contractors trained and certified to perform lead abatement activities.

The LHCP program works cooperatively with the local SUPERFUND-related CLPPP to prevent duplication of services.

East Helena Lead Program

The East Helena Lead Education and Abatement program is a multi-pathway lead poisoning prevention and lead risk abatement program. The program operates within the East Helena SUPERFUND site. Public education regarding lead poisoning prevention, lead risk management, and risk abatement are major program components. Childhood blood lead level screening and public education are program priorities.

The purpose of the program is to prevent or reduce elevated blood lead levels in children. Data collection relevant to long-term planning, protection of remediated yards and long-term management of lead risks are also program purposes. The program is the most recent in a series of childhood blood lead studies and education programs dating back to 1975. The East Helena office stores soil lead level data collected by a local environmental firm and soil, dust, and water data collected during environmental assessments of private homes in the East Helena area performed by program staff.

Childhood blood lead levels in East Helena have been dropping for the last twenty years (Lewis and Clark City-County Health Department in-house studies). The drop can be related to many factors including the removal of lead from gasoline and paint, a reduction of aerial lead emissions from the Asarco smelter, which closed in April 2001, and the remediation of community facilities and residential properties.

ACTIONS FOR THE PLAN YEAR

NEEDS

The Consolidated Plan regulation requires a priority needs summary table to rank the housing needs for each household type as high, medium, or low. Generally, it was inferred from the household forecast and the telephone survey conducted for the *Montana Housing Needs Assessment*[28] that all degrees of housing needs in the state were either medium or high priority. These priority levels, as set by the Consolidated Plan Steering Committee, will remain the same for the five-year plan period.

Montana Housing Priority Needs Summary Table
2005 – 2010

Household Type		MFI Range	Priority Level	Census 2000 Households	2010 Households
Renters	Small Related	0% - 30%	H	7,210	7,716
		31% - 50%	M	6,765	7,240
		51% - 80%	M	9,357	10,014
	Large Related	0% - 30%	H	1,480	1,584
		31% - 50%	M	1,630	1,744
		51% - 80%	M	2,425	2,595
	Elderly	0% - 30%	H	4,938	5,496
		31% - 50%	M	5,027	5,595
		51% - 80%	M	3,887	4,326
	All Other	0% - 30%	H	10,265	10,775
		31% - 50%	M	8,579	8,966
		51% - 80%	M	10,222	10,773
Owners		0% - 30%	H	15,656	16,755
		31% - 50%	M	22,561	24,145
		51% - 80%	M	42,193	45,155
Special Populations		0% - 30%	H	11,823	12,648
		31% - 50%	M	12,047	12,887
		51% - 80%	M	13,988	14,974
Total Goals	The Montana Department of Commerce is not able to estimate the number of households that will be assisted throughout the state during the planning period.				
Total Households		0% - 80%	N/A	152,195	162,878
Total Households		All income levels	N/A	358,585	383,754

The State has determined these priorities based on households, not housing activity, at the statewide level. It is up to each locality, through more detailed local analyses, studies and needs assessments, to determine its own area(s) of highest need. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state's priority level.

[28] *Montana Housing Needs Assessment*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

SPECIAL NEEDS/NON-HOMELESS SUMMARY TABLE STATE OF MONTANA – FIVE YEAR PLAN 2005 - 2010	
SUB-POPULATIONS	Priority Need Level High, Medium, Low, No such need
ELDERLY AND FRAIL ELDERLY	M
VETERANS	M
PERSONS WITH DISABILITIES	
SEVERE MENTAL ILLNESS	M
DEVELOPMENTALLY DISABLED	M
PHYSICALLY DISABLED	M
PERSONS WITH ALCOHOL/OTHER DRUG ADDICTION	M
PERSONS WITH HIV/AIDS	M
TOTAL	M

The State has determined a "medium" need at the statewide level for the non-homeless special needs populations. It is up to each locality to determine its own area(s) of highest need through more detailed local analyses, studies and needs assessments. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state's priority level.

NON-HOUSING COMMUNITY DEVELOPMENT PRIORITY NEEDS SUMMARY STATE OF MONTANA - FIVE YEAR PLAN 2005 – 2010			
PRIORITY COMMUNITY DEVELOPMENT NEEDS	PRIORITY NEED LEVEL High, Medium, Low, No Such Need	ESTIMATED DOLLARS NEEDED TO ADDRESS *(in millions)*	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS IN FISCAL 1996 *(in millions)*
INFRASTRUCTURE IMPROVEMENT	**H**		
Solid Waste Disposal Improvements	H		
Waste Water Needs	H		
Water System Improvements	H	**$1,612**	
Other Infrastructure	M		
PUBLIC SERVICE NEEDS	**M**		
PLANNING	**M**		
OTHER COMMUNITY DEVELOPMENT NEEDS	**M**	**$1,045**	
Lead-Based Paint/Hazards	M		
ECONOMIC DEVELOPMENT NEEDS	**H**	**$2,619**	
TOTAL PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS	M	**$5,276**	**$6.5**

The state has determined these priorities at the statewide level for non-housing community development. It is up to each locality to determine its own area(s) of highest need. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state's priority level.

PROGRAM OBJECTIVES AND ACTIONS

No single approach or unique priority fits all regions of Montana equally well. Acceptably addressing the range of needs, while allocating resources equitably, makes for a complicated housing and community development policy agenda. Nevertheless, Montana is committed to moving forward with a concrete set of objectives to address needs.

Housing

Housing needs across Montana vary widely. There is a broad array of housing availability, affordability, and suitability issues across the state. Extreme diversity in available housing, age of housing stock, and overall range in population density complicate assessments of degree and type of need. Resources are not adequate to address all housing needs and requirements throughout the state.

As a state agency administering housing programs, the MDOC does not prescribe to local governments and CHDOs the priority needs within their communities because the needs identified and prioritized at the state level may not retain a similar priority rating for implementation at local levels. All needs in Montana are great. The statewide priority need levels described in the Housing Priority Needs Table represent only a general indication of needs throughout Montana.

Faced with the overwhelming demand for affordable housing, the state will implement programs and deliver resources to in-need populations around Montana, in an attempt to continually minimize the state's housing needs. No single objective has the same priority in all of Montana's communities. Likewise, no single action can meet the specific housing objectives of any given community. Nevertheless, the MDOC is committed to moving forward with the following housing objectives and actions.

- **Objective:** Provide homeownership opportunities to low- and moderate-income households throughout Montana.
  - The HOME Program will continue to make funds available for homebuyer programs throughout the state, assisting an estimated 50 homebuyers per year.
  - The MBOH anticipates that it will continue to make bond funds available to assist approximately 1,800 low- to moderate-income homebuyers each year with $130 to $160 million in low interest rate loans.
  - The MBOH anticipates that it will continue to operate the Mortgage Credit Certificate (MCC) program, which began operation in April 2003. During the first year, $500,000 in credit authority assisted 23 eligible homebuyers and the MBOH anticipates this will continue to grow for each of the next five years.
  - The MBOH anticipates that it will continue to make funds available through the Single Family Recycled Mortgage Program to lower income persons and families who do not have the financial capabilities to purchase safe and sanitary housing

through other single family programs. The MBOH expects to make approximately $20 million available for financing to 190 very low-income families per year.

- The MBOH anticipates that it will continue to make funds available through the Disabled Accessible Affordable Home Ownership Program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. The MBOH expects to finance 156 homes with nearly $10 million in recycled mortgage funds over the five-year period.
- The HOME and CDBG programs will continue to make funding available for housing rehabilitation programs throughout the state, assisting an estimated 30 homeowner units per year.
- Continue to leverage HOME and CDBG funds with weatherization programs administered throughout the state.
- The HOME and CDBG programs will continue to require projects to conform to federal and state energy efficiency standards.
- The MBOH will continue to market the award-winning housing plan book, *Montana Housing Solutions: Designing for Comfort & Quality*, which contains several house plans designed to be affordable and energy efficient.
- The HOME program will continue to require homebuyer education classes for all homebuyers assisted with HOME funds as a condition of receiving the funds.
- The MBOH will continue to collaborate on obtaining funds for organizations that provide homebuyer training
- The MDOC will continue to explore creative means to deliver homebuyer training in rural areas. Increase the use of web casts and video conferencing for homebuyer education, especially in remote areas.
- The MDOC will increase awareness of and monitor the level of predatory lending practices by continuing to support legislation to reform the payday and title loan industry, including participating in the Montana Alliance for Responsible Finance and the Montana Financial Education Coalition.
- The MDOC will continue to support the Section 8 Homeownership Voucher program.
- The MBOH will coordinate with educational institutions to facilitate technical construction, weatherization and home-improvement courses.
- The MDOC will continue support of private foundations committed to leveraging federal dollars for affordable housing throughout the state.
- The MDOC will continue to support programs such as the Montana House - Montana Made Homes program, a partnership between the MBOH, the Anaconda Job Corps, and private nonprofit housing providers around the state. The MBOH provides financing for vocational students to construct 960 square foot modular homes at the Anaconda Job Corps Center. These homes will then be sold to qualifying homebuyers around Montana. The homebuyers will work

with a private, nonprofit housing provider in their area that will help them identify a location for the home and prepare the site for delivery of the home. It is expected that the program, which began in September 2004, will construct four homes annually.

- **Objective:** Improve the quality and availability of affordable rental housing for low- and moderate-income households.

  - Utilize HOME funds to rehabilitate existing and construct new rental housing. Estimate 25 new units and 30 rehabilitated units per year.
  - Preserve rental units subject to expiring HUD or 515 Rural Development contracts to ensure these units continue to remain viable, affordable units.
  - Utilize the LIHTC program to construct or preserve an estimated 250 units of rental housing per year. Annual authority is estimated at $2,125,000 plus any inflation factor the IRS may calculate, which provides an equity infusion of approximately $15 million per year for production of affordable housing.
  - Continue to support the Section 8 housing choice voucher program, which provides essential rental subsidy to very low and low-income Montanans.
  - The MBOH will continue to offer permanent mortgage financing for affordable rental housing in partnership with HUD's Risk Sharing Program, which provides mortgage loan insurance.
  - The MBOH will continue to offer permanent mortgage financing through its General Obligation Program, which issues tax-exempt bonds to finance projects that do not have mortgage insurance.
  - The MDOC will continue support the Mountain Plains Equity Group, Inc. (MPEG). The MBOH joined with the North Dakota Housing Finance Agency and the Wyoming Community Development Authority to form the MPEG. The purpose of the investment group is to support the development of affordable multi-family housing in communities throughout the tri-state area. Smaller projects, particularly in rural communities, can be expensive and difficult for housing authorities, nonprofit entities, and other developers to put together. MPEG is expected to ease the development of multi-family housing. MPEG is structured as a nonprofit corporation to make investments in LIHTC projects and potentially historic tax credit projects.

- **Objective:** Provide housing options for the elderly and special needs populations.[29]

  - Continue to market and support the Reverse Annuity Mortgage Loan Program, which enables Montana homeowners over 68 years old to provide for their own in-home support by utilizing cash from a Reverse Annuity Mortgage.

[29] HUD defines special needs households as a household where one or more persons have mobility impairments or disabilities, i.e., mental, physical, developmental, persons with HIV/AIDS; or with alcohol or other drug addiction that may require housing with supportive services

- Address the perceived need for assisted living housing for the elderly by commissioning a study on elderly housing issues in rural areas.
- Continue to utilize HOME and CDBG funds to develop projects targeted to physically, developmentally and mentally disabled households.
- Increase group living and homeownership opportunities for persons with severe and disabling mental illness (SDMI) and other disabilities, especially through cooperation with the Montana Home Choice Coalition.
- The MBOH anticipates that it will continue to make funds available through the Disabled Accessible Affordable Home Ownership Program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. The MBOH expects to finance 156 homes with nearly $10 million in recycled mortgage funds over the five-year period.
- Continue to offer education regarding universal design and accessibility requirements in order to increase the number of accessible multi- and single-family units available.

➢ **Objective:** Affirmatively further fair housing and implement objectives and actions identified in the *Analysis of Impediments to Fair Housing*[30].

- Continue to require all HOME and CDBG grantees to abide by fair housing laws and take actions to provide housing services and programs free of discrimination;
- Continue to maintain records reflecting the analysis and actions taken;
- Work to improve the understanding of fair housing law and proper construction practices by:
  - Improving the general public's understanding of fair housing law through further outreach and education.
  - Exploring the feasibility of incorporating homebuyer training at the secondary education level. Communicate how credit markets work, how to avoid credit problems, and what predatory lending practices are to an audience entering the rental or homebuyer market.
  - Designing educational training sessions for specific subgroups, including consumers and providers of housing to improve the fair housing educational experience.
  - Continuing to publish and distribute fair housing educational materials and guides, to include:
    - Updating the fair housing advertising guide in the plan year beginning 04/01/2005.

[30] *Analysis of Impediments to Fair Housing and Housing Choice*, Western Economic Services, LLC, November 2004.

- Enhance coordination among member of Montana's affordable housing community by:
  - Establishing a network with landlords, bankers, attorneys, and others for setting and coordinating a fair housing agenda. MDOC will oversee this effort. It will establish a Fair Housing Working Group with regular meetings to assess and review progress associated with the fair housing agenda.
  - Encouraging partnerships among the disabled community, housing developers, builders, and other housing providers. This action may include:
    - Identifying and defining sources of information to which questions about 504 design and construction standards and 504 compliance can be referred; and
    - Urging developers and builders to contact the disabled community directly.
  - Coordinating with Montana Fair Housing to further fair housing education throughout the state.
  - Increasing the MDOC's role as an information clearinghouse by including additional information on the Housing Division website, including:
    - Montana Landlord/Tenant Law;
    - Federal and Montana fair housing laws; and
    - ADA and 504 design and construction standards.

➢ **Objective:** Decrease housing environmental hazards, such as lead-based paint, asbestos.

- Enforce all applicable federal and state environmental laws;
- Present information on the LBP regulations and lead-safe work practices at its application and grant administration workshops;
- Continue to require the appropriate notification, inspection, testing, interim controls or abatement, and clearance activities are followed;
- Continue to promote lead-based paint training whenever it is aware of it being offered in the state; and
- Partner with the MSU Extension Service to expand LBP training opportunities by providing financial support for MSU staff to become accredited to provide EPA training for Inspectors and Risk Assessors. MDOC anticipates that underserved areas of the state will take advantage of this new, local resource to become EPA certified and/or to remain current in existing certifications.

➢ **Objective:** Continually improve the efficiency of the MDOC housing programs.

- Market the resources available to acquire, build, preserve, or rehabilitate affordable housing units by continuing the participation of the HOME and CDBG

program staff in joint affordable housing application workshops each year. Other participating programs include the MBOH Low Income Housing Tax Credit Program and USDA Rural Development Housing Programs. At least three workshops a year will be held.

- HOME, CDBG, MBOH, and USDA Rural Development staffs expect ongoing, active participation in the efforts to simplify and standardize housing program delivery in Montana. The Uniform Application is in use, and efforts during the coming five-year period will focus on standardizing environmental review processes and contents of grant administration manuals.
- Examine the allocation procedure in order to simplify and maximize the efficiency with which HOME funds are allocated and to ensure that they are being leveraged to the greatest extent possible.
- Continue to encourage CDBG housing funds be used as part of an overall neighborhood or community renewal effort.
- Continue to utilize technical assistance providers to the fullest extent possible. Emphasis will continue to be on community needs assessment and project development. Staff members of each MDOC program continue to market the programs and educate potential participants in the programs. The CDBG program proposes to continue to provide capacity building training and other technical assistance to local governments. This training relates to general community planning, capital improvement planning, provision of affordable housing, fair housing education, and environmental compliance.
- Increase training opportunities in housing construction as part of an overall economic development strategy that specifically targets training to at-risk populations, such as participants in the Job Corps, inmates in the prison system and residents of Indian Reservations.

Homelessness

- Secure available resources for persons requiring supportive and transitional services;
- Assist persons requiring supportive and transitional services to achieve permanent housing;
- Assist in meeting the supportive services needs for the homeless;
- Assist in securing stable funding sources for existing homeless facilities and services;
- Continue to support the statewide continuum of care strategy to ensure emergency, transitional, and permanent housing; and
- Actively support and participate in the Montana Council on Homelessness.

The state of Montana was selected in January 2003 to participate in a Federal Homeless Academy "Improving Access to Mainstream Services for People

Experiencing Chronic Homelessness" held in May 2003. The Academy is a collaborative effort of the U.S. Departments of Health and Human Services, Housing and Urban Development, and Veteran Affairs that brings together teams of policymakers from various states and technical assistance providers to identify best practices for ensuring that the homeless have access to mainstream resources such as SSI, TANF, Medicaid, food stamps and mental health services.

A team consisting of representatives from the Governor's office, the legislature, state agencies, local advocates, and the Continuum of Care attended this comprehensive learning and planning session held in Chicago. With a vision statement "to provide the state-level leadership and coordinated effort that will end chronic homelessness by 2010," the team developed an Action Plan consisting of four priorities:

PRIORITY I: Coordinate Services: Establish the necessary leadership to create a sustainable structure and improve the coordination of homeless services statewide.

PRIORITY II: Case Management: To improve and strengthen effective Case Management of homeless.

PRIORITY III: Mobilize Resource: Access all available resources and identify where new resources can make a critical difference.

PRIORITY IV: Outreach: Create new outreach effort and leverage current outreach efforts to increase enrollment of hard-to-reach chronic homeless individuals.

Each priority has a number of strategies followed by actions, additional steps that may be required, completion dates, and benchmarks or outcomes. A complete copy of the Action Plan for Montana can be found at:

http://www.hrsa.gov/homeless/state_pages/pa4/mt.htm

Additional information on the Homeless Policy Academies can be found at:

http://www.hrsa.gov/homeless/

As a result of the Montana Policy Academy and in response to the growing problem of homelessness in Montana, then-Governor Judy Martz issued an Executive Order in June 2004, establishing the Montana Council on Homelessness (MCH). The MCH was structured to establish vital links among the efforts and resources of state and federal agencies, communities, tribes, nonprofits, and others. The MCH is charged with developing a 10-year plan to eradicate chronic homelessness in Montana and with addressing this multi-faceted issue through policy, protocols, recommendations for legislation and the creative use of new and existing resources. For more information on the MCH, go to:

http://sherriedowning.com/consulting/CouncilonHomelessness.html

Economic Development

Based on years of public comment, enforcement of federal program objectives, various studies conducted for the program and on economic development, the program's objectives for assisting business development in Montana are:

➢ **Objectives**:

- Increase viable economic development projects that promote investment of private capital, expansion of local tax bases, and creation of permanent year-round jobs principally for low- and moderate-income Montanans;
- Increase economic activity that adds value to a product through manufacturing, refining, processing or packaging, especially those activities that involve Montana's natural resources;
- Increase economic activity that creates new wealth in Montana by selling the majority of its products outside of Montana, by effectively substituting goods previously produced outside of Montana with goods produced in Montana, or by distributing Montana-made goods;
- Increase service companies such as consulting, engineering, or other companies that sell their services predominantly (greater than 50 percent) outside of Montana;
- Allow local communities to identify their own needs and develop their own initiatives;
- Assist businesses and communities in achieving prosperity by using program resources to leverage other private and public resources;
- Assist micro-enterprise development through technical assistance funding;
- Assist new and expanding businesses with employee training needs;
- Assist communities and small businesses in gaining access to federal funding for research and development (R&D) through the state of Montana Small Business Innovation Research (SBIR) program;
- Place a priority on projects that create higher paying jobs;
- Fund more high-technology businesses and manufacturing operations, including value-added agricultural products, based on current demand;
- Help create over 200 jobs per year, of which more than 51 percent will be held by or made available to low – and moderate-income persons; and
- Leverage $12 to $13 of other funds for each $1 of program funds.

Actions:

- Community Resource Team Assessments: The CDBG programs contracted with the Montana Economic Developers Association (MEDA) to provide technical assistance to Montana communities by conducting community resource team assessments. Using a community-based planning and assessment process, resource teams are comprised of professionals in the areas of economic and community development, health, housing, workforce development, education, land use planning, grant writing, financing, telecommunications, emergency management services, and strategic planning. They assist communities in identifying their greatest community development needs.

  At the request of a local government, a Resource Team will go to the community and conduct one to two days of questioning and information gathering that includes interviewing a large number of people representing various community groups and recording their responses. The Team compiles its results and categorizes responses, holds a community meeting to share the information that was gathered, and later provides the community with a written report (within four to six weeks). The final, written report includes recommendations from each team member based on the needs of the community. The report includes suggestions for accomplishing the goals of the community, possible sources of income and contacts, and implementation plans for community use.

  The community is responsible for providing a community leader, logistical services (tour of the community, meals and lodging for the team, and a meeting room), and soliciting community participants. Community participants include political and religious leaders, members of the agricultural community, bankers, educators, major employers, REALTORS®, health care and social service providers, senior citizens, civic groups, students, and anyone with an interest in their community. The participants are asked about the major problems and challenges they see in their community, the major strengths and assets, and community projects they would like to see implemented in the next 2, 5, 10, or 20 years.

  More than 12 community assessments are expected to be completed in 2004, with another 12 scheduled for 2005. For more information on Community Resource Team Assessments, go to:

  http://www.medamembers.org/resourceteams.php

- The Montana Finance Center: The Business Resources Division maintains a database accessible on the Internet called *The Montana Finance Center*, which provides summary information for the most significant financing resources available from state, federal, and local institutions. The Montana Finance Information Center website is organized by source and point of application. Preference for organizational purposes is given to the actual level that provides funding to business and local governments. Direct web links are provided

wherever possible for direct connection to funding sources. The site has been constructed by the BRD to assist the businesses and communities of Montana in achieving economic prosperity, keeping in mind that the vision of prosperity to be achieved must be defined by the businesses and communities that are served. Access the *Montana Finance Center* is online at:

http://www.mtfinanceonline.com/

- Certified Regional Development Corporations: The 2003 Montana Legislature created the Certified Regional Development Corporations (CRDC) program. The legislative intent of the CRDC program is to encourage a regional approach to economic development that facilitates the efficient delivery of economic development programs by supporting regional capacity building.

  CRDCs are responsible for helping local officials, communities and businesses "assess, plan, and facilitate action" within their regions. CRDCs are required to have the support of all counties and a majority of the incorporated cities and towns in their region to obtain and maintain certification. CRDCs receive regional capacity building grants from the MDOC on an annual basis. In 2004, 12 CRDCs were formed and placed under contract to provide technical assistance within their respective regions. See Appendix D, page D-16, for a map of the CRDC regions.

Infrastructures and Public Facilities

Infrastructure needs across Montana vary widely. As a state agency administering non-housing community development programs, the MDOC does not prescribe to local governments the priority needs within their communities because the needs identified and prioritized at the state level may not retain a similar priority rating for implementation at local levels. All needs in Montana are great. The statewide priority need levels described in the Non-Housing Community Development Priority Needs Summary table represent only a general indication of needs throughout Montana.

Faced with the overwhelming demand for non-housing community development, the state will implement programs and deliver resources to in-need populations around Montana, in an attempt to continually minimize the state's non-housing community development needs. No single action can meet the specific non-housing community development objectives of any given community. Nevertheless, the MDOC is committed to moving forward with the following non-housing community development objectives and actions.

➢ **Objective:** Provide community and development opportunities to low- and moderate-income residents and strengthen communities within the state.

- Update the statewide public facility and infrastructure needs survey or determine another acceptable method of quantifying the enormous need.

- Provide annual planning grants to identify overall community development and housing and neighborhood renewal needs necessary to get a project under way or to conduct other important community planning activities such as preparing or updating a comprehensive plan or growth policy; preparing a neighborhood redevelopment plan; preparing a preliminary engineering or architectural report, capital improvement plan, or similar planning studies needed to help a community address critical needs.
- Continue to provide technical assistance to communities to encourage them to access CDBG funding and to ease compliance with the federal regulations tied to CDBG funding.
- Continue to market the resources available to build affordable infrastructure/public facilities by continuing to participate in the W_2ASACT public facility workshops. The workshops are designed to familiarize local governments with federal and state low interest loan and grant programs that are available to assist local government and water and sewer districts with financing for water, sewer, and solid waste improvement projects. At least two workshops per year will be held in different parts of the state.
- Continue to support the other programs administered by the Community Development Division of the MDOC, which are critical to assisting local governments in meeting their infrastructure needs.
    - In May 2004, the Treasure State Endowment Program (TSEP) received 47 applications from counties, cities and towns, tribal governments, and water and sewer districts for construction project grants. Over $58 million in matching construction grants has been awarded to 155 local governments since 1993.
    - The Montana Coal Board has been an active participant with local governments in coal-impacted areas. During 2004 and 2005, 19 grants were awarded to local governments, totaling over $1.4 million.
    - The Hard Rock Mining Impact Board has been active assisting local governments to mitigate the fiscal impacts on local government services and facilities due to new large-scale hard rock mining development.
- Continue to actively participate in other W_2ASACT activities, including:
    - Periodically updating the *Uniform Application for Montana Public Facility Projects*, the streamlined, common application form in developed in 1997 that is used by six state and federal public facility funding programs in Montana;
    - Making the on-line version of the *Uniform Application* more "user friendly";
    - Developing a uniform method of tracking project expenditures for infrastructure projects funded by multiple agencies;
    - Developing a listing of infrastructure projects throughout Montana and the funding sources and amounts involved in the projects;

- Creating a 12-minute video to explain the basics of funding a public facilities project and a second short video to describe the process of the completing an infrastructure project from beginning to end;
- Working on a standard supplemental conditions section to be used in bid documents that will be acceptable to all federal and state programs;
- Working on a common environmental review process that would be acceptable to all programs;
- Conducting out-reach to tribes.

- Continue to fully award all CDBG public facility and planning grant funds.

Additional Plans and Actions

Addressing Obstacles to Meeting Underserved Needs and Removing Barriers to Housing

President Bush, in announcing his *New Freedom Initiative*, identified a major discrepancy in the general rate of homeownership of 71 percent and the rate of households headed by people with disabilities, which stands at 10 percent. The Montana Home Choice Coalition believes these national figures are generally applicable to the homeownership gap present in Montana, and is committed to closing this gap for people with disabilities and their families.

Like other citizens, people with disabilities can benefit from homeownership. Efforts to provide homeownership opportunities and choices can be supported through a combination of funding programs and new initiatives. Individuals with disabilities may need access to more financial assistance than the average first-time homebuyer due to limitations on work and related earning power due to their disability. Working in support of homeownership for persons with disabilities, the Montana Home Choice Coalition's homeownership initiative involves four major general strategies:

- Provide community outreach and education to the disability community;
- Provide individual homeownership counseling and referral services;
- Provide access to the Fannie Mae HomeChoice Mortgage for Persons and Families with Disabilities. This mortgage product has flexible features specifically designed to meet the needs of homeowners with disabilities. It provides a flexible mortgage option for potential homeowners with disabilities and adds existing mortgage options available through Montana Board of Housing, HUD, and Rural Development; and
- Educate and advocate with affordable homeownership providers, the housing finance industry, and housing builders. Within the public housing resource needs identification process, identify the interest in and need to include homeownership as an option for people with disabilities, including the development of accessible housing stock incorporating Universal Design.

The Home Choice Coalition is committed to assisting eligible persons with disabilities to become homeowners. The Coalition has set as priorities, Montana counties with the greatest degree of affordability, primarily in the central and eastern parts of the state. The Coalition has begun working with the Montana Homeownership Network, MBOH, MDOC Housing Division, Fannie Mae MTPO, USDA Rural Development, A.W.A.R.E., Inc., Central Montana Medical Center, Opportunities Resources, Inc., Section 8 contractors, lenders, and realtors in an effort to support implementation of the Section 8 Homeownership Voucher program. In partnership with the MDPHHS Developmental Disability Program, the Coalition is also working with persons with developmental disabilities, who desire to become homeowners.

U.S. Supreme Court Olmstead Decision

The 1999, the U.S. Supreme Court Olmstead Decision established that States must work to provide people with disabilities who currently reside in institutions or other intensive levels of care, like nursing homes, with appropriate and meaningful opportunities for full access to community life. A fundamental piece of creating appropriate community living options is appropriate housing. The Bush Administration's *New Freedom Initiative* calls for swift implementation of the *Olmstead* decision and calls on federal agencies, including HUD-funded programs to identify and remove obstacles that prevent people with disabilities from full participation in community life and to work cooperatively to assist the states in creating appropriate *Olmstead* solutions across the country. In Montana, the major institutions serving people with severe disabilities include the Montana State Hospital at Warm Springs, and the state Nursing Care Center at Lewistown, which serve people with mental illness, and the Developmental Center at Boulder serving people with developmental disabilities. *Olmstead* also covers people with disabilities who are inappropriately served levels of restrictive care that are higher than necessary.

In 2003, the Montana State Legislature authorized the closure of the Eastmont Center for Developmental Disabilities in Glendive, Montana. The MDPHHS Developmental Disability program was authorized to fund community group homes in Glendive to provide an appropriate community living opportunity for many of the former residents of Eastmont. In addition, the MDPHHS Addictive and Mental Disorders Division is downsizing the Lewistown Nursing Care Center for persons with serious disabling mental illness and funding a new level of intensive community living options for current Nursing Care residents. To support this effort, the Montana Home Choice Coalition developed two supportive housing duplexes in Glendive and Butte, which are partially funded through the MDOC HOME program. In addition, A.W.A.R.E. Inc. renovated a residence in Great Falls to support this *Olmstead*-motivated effort.

Reducing the Number of Poverty Level Families

In Montana, the state's plan for the temporary assistance for needy families (TANF)[31] serves as the primary mechanism for reducing the number of poverty level families. The state of Montana operates Families Achieving Independence in Montana (FAIM) to provide temporary assistance for needy families. The FAIM Project serves all political subdivisions in the state. In Montana, three tribes, the Confederated Salish and Kootenai on the Flathead Reservation, the Fort Belknap Indian Community, and the Chippewa Cree at Rocky Boy's, have chosen to implement a tribal TANF plan. The TANF cash assistance program provides job readiness preparation, supportive services, and case management; vigorously pursues child support; and assists in the development of community resources as a means to help families reach self-support.

TANF cash assistance program participants are considered eligible for Medicaid coverage if they meet Medicaid eligibility requirements. Adults have Basic Medicaid coverage; minor children, pregnant women, and disabled individuals receive full Medicaid coverage as stated in the Montana Medicaid State Plan. Participants are also considered categorically eligible for Food Stamp Program benefits.

Services funded with TANF funds include:

- Cash assistance for the purchase of basic needs such as food, clothing, housing and personal care items
- Work supports such as transportation, vehicle repair, and items that assist individuals in continuing employment or becoming employed
- Education and training, excluding tuition

Developing Institutional Structure

The state remains committed to developing and enhancing institutional structure in the state through its participation in various working groups, committees, and councils as discussed in the section on Interagency Cooperation And Coordination.

Enhancing Coordination between Public and Private Housing and Social Service Agencies and Fostering Public Housing Resident Initiatives

The state does not have a public housing authority. Public housing authorities are set up under state law at the local level to better meet the needs of the local community. However, the MDOC is committed to improving coordination between public and private entities serving low- and very low-income households. See the previous discussions on the Housing Working Group and Housing Coordinating

[31] For more information, contact the Montana Department of Public Health and Human Services, Human and Community Services Division, or go to the website at: http://www.dphhs.mt.gov/aboutus/divisions/humancommunityservices/relatedtopics/index.shtml

Team; and the Montana Continuum of Care, Home Choice Coalition, and Tri-State HELP.

PERFORMANCE MEASUREMENT

In September 2003, HUD issued CPD Notice 03-09 regarding performance measurement. In the Notice, HUD strongly encourages each CPD formula grantee, which includes Montana's HOME, CDBG, and ESG programs, to develop and use a performance measurement system. To a certain extent, Montana has been measuring benefits of its housing programs on a biennial basis, which can be found in the publication *Economic Benefits of MDOC Housing Programs*. Additionally, the state is currently exploring options for implementing the performance measurement tool developed by the Council of State Community Development Agencies (COSCDA) that is meaningful to the individual programs and the programs' beneficiaries.

PROGRAM SPECIFIC REQUIREMENTS

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Montana administers nonentitlement Community Development Block Grant funds through the Community Development and Business Resources Divisions of the MDOC. The CDBG program was established by the Federal Housing and Community Development Act of 1974 and has been administered by the MDOC since 1982. The CDBG program is a federally-funded competitive grant program designed to help communities of less than 50,000 in population with their greatest community development needs. Eligible applicants are limited to general-purpose local governments. All projects must principally benefit low- and moderate-income persons.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment, and by expanding economic opportunities for persons of low- and moderate-income. Seventy percent of the funds must be used for activities that benefit low- and moderate-income persons.

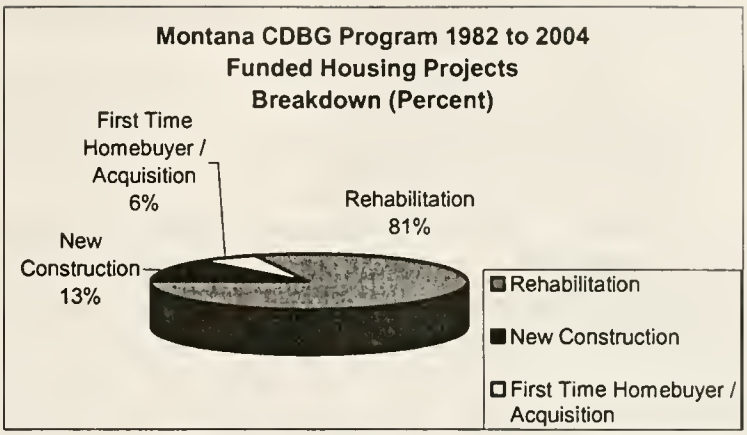
CDBG Program Categories

The basic categories for local community development projects are housing and neighborhood renewal, public facilities, and economic development. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new, affordable housing (when sponsored by a nonprofit organization); provision of public facilities and improvements such as water, sewer, or solid waste facilities, or senior citizen centers; and assistance to for-profit businesses to promote economic development activities that will result in the creation or retention of jobs.

Housing and Neighborhood Renewal Projects

For housing and neighborhood renewal, CDBG funds are most often used to make low or no-interest loans or grants to low- and moderate-income families to allow them to rehabilitate homes in substandard condition. In light of increasing energy costs, communities are encouraged to use CDBG funds to undertake energy conservation for housing owned or occupied by low- or moderate-income households. CDBG funds can also be used to finance or subsidize the construction of new, permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include site improvements to publicly-owned land or land owned by a nonprofit organization to be used for new housing.

Transitional (temporary) housing is eligible under the housing and neighborhood renewal category. The acquisition of sites for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities.



Over the past 23 years, CDBG has funded about 90 housing projects that equal more than $29 million in CDBG funds alone.

Public Facility Projects

For public facility projects, CDBG funds have been used to upgrade or undertake the new construction of dozens of community water and sewer systems and other public facilities. During the last several years, communities have also utilized the CDBG program to construct or rehabilitate senior citizen centers, centers for abused or runaway youth, Head Start centers, public nursing home facilities, and public hospitals in rural communities.

Economic Development Projects

For economic development, Montana's CDBG program is designed to stimulate economic development activity by assisting the private sector, in order to create or retain jobs for low- and moderate-income persons. CDBG funds are intended to be used in situations where a funding gap exists or alternative sources of public and private financing are not adequate. These funds are intended to complement conventional business financing and those of other federal programs such as the Economic Development Administration (EDA) and Small Business Administration (SBA). The program is also encouraged to complement the Montana Department of Commerce programs for business assistance administered by the Business Resources Division, such as the Regional Development program and the state Micro Business Finance program, as well as programs administered by the Montana Board of Investments.

The CDBG Economic Development program is designed to assist businesses by making appropriate long-term, fixed-rate financing available to them at reasonable interest rates with flexible terms. Typical eligible activities that fall within the CDBG economic development category include: land acquisition; public facilities, infrastructure, and other improvements in support of economic development, such as water and sewer lines, sidewalks, and access roads; loans for acquisition, construction, rehabilitation, or installation of commercial and industrial buildings, facilities, or working capital; and grants or loans from communities to nonprofit entities.

The total amount of CDBG funds requested by an applicant must not exceed the following ceilings:

Type of Grant	Ceiling
Housing & Neighborhood Renewal	$ 500,000
Public Facilities	$ 500,000
Planning – Public Facilities and Housing & Neighborhood Renewal	$ 15,000
Economic Development	$ 400,000
Planning – Economic Development	$ 15,000

Applicants should apply only for the level of funding necessary to carry out the project. Grant requests must be sufficient either by themselves, or in combination with other proposed funding sources, to complete the proposed activities within 24 months from the date of the announcement of grant award by the MDOC. There are no minimum amounts required for CDBG requests, although requests under $100,000 generally are not cost-effective due to the administrative requirements that accompany the program.

Type of Grant	Deadline
➢ FFY 2005 Planning Grants-Housing & Neighborhood Renewal and Public Facilities (*$225,000*)	April 22, 2005
Grant Announcement	June 2005
➢ FFY 2006 Public Facilities Grants (*estimated $3.2 million)*	May 27, 2005
Grant Announcement	September 2005
➢ FFY 2006 Housing & Neighborhood Renewal Grants (*estimated $1.4 million)*	November 4, 2005
Grant Announcement	February 2006
➢ FFY 2005 Economic Development Grants (*approx. $2.4 million)*	Open Cycle

Applications must be delivered or postmarked on or before the deadline date. Applications for Economic Development assistance can be made at any time.

Ranking Criteria

Housing and Neighborhood Renewal

Housing and Neighborhood Renewal applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points, based on the following ranking criteria:

1. Community Planning & Citizen Participation	150 Points
2. Need	150 Points
3. Project Strategy and Community Efforts	200 Points
4. Benefit to Low- and Moderate-income	150 Points
5. Implementation and Management	150 Points
TOTAL:	**800 Points**

Funds are awarded to the top-ranked applications until all funds are awarded. The minimum number of points for a housing and neighborhood renewal application to be considered for funding is 550. Applicants not funded are encouraged to seek technical assistance from the program and to re-apply during the next funding cycle.

Public Facilities

Public facility applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points:

1. Community Planning & Citizen Participation	125 Points
2. Need for Project	125 Points
3. Project Concept and Technical Design	100 Points
4. Community Efforts	75 Points
5. Need for Financial Assistance	150 Points
6. Benefit to Low- and Moderate-income	100 Points
7. Implementation and Management	125 Points
TOTAL:	**800 Points**

Funds are awarded to the top-ranked applications until all funds are awarded. The minimum number of points for a public facilities application to be considered for funding is 475. Applicants not funded are encouraged to seek technical assistance from the program and to re-apply during the next funding cycle.

Economic Development

For-profit businesses applying to the CDBG-ED program under the sponsorship of a local government must meet certain thresholds to be considered for funding. These are listed in the application guidelines of the CDBG-ED program. In addition, the community and business must demonstrate the following:

1. All requirements are met or exceeded.
2. The level of CDBG-ED assistance is appropriate in relation to the public benefit expected to result from the project.
3. The proposed management is experienced in the type of business activities proposed and has demonstrated the capacity to successfully manage the entity to be assisted.
4. The application is complete as submitted and contains accurate information.

5. The earnings projections submitted with the application are realistic and attainable, are supported by historical trends and industry norms, and indicate that the projected cash flow is sufficient to support the proposed increased debt.
6. The CDBG-ED funds would be adequately secured with all reasonably available assets and/or personal guarantees.
7. The application documents a sound, well-reasoned proposal with a perceived strong chance success if CDBG-ED funds are received.
8. The private or public sector lenders involved in the project have provided firm commitment of funds.
9. The project is ready to proceed upon the notification of the tentative CDBG-ED award and implementation will begin immediately.
10. The application conclusively demonstrates that the project will support itself over time and will not impose a burden on any local government or nonprofit entity participating in the project.
11. The applicant has considered the quality of the job and the wage it pays. The Loan Review Committee will place greater weight on job quality and wages paid when evaluating CDBG-ED projects for funding.
12. Applications where viability may be questionable, or where the overall business plan or the need for CDBG-ED assistance is not adequately documented, may be restructured, renegotiated, or not funded, depending on the severity and the nature of the problems identified.

Funds are awarded on a first-come, first-served basis, if the thresholds and underwriting criteria are met, until all funds are committed.

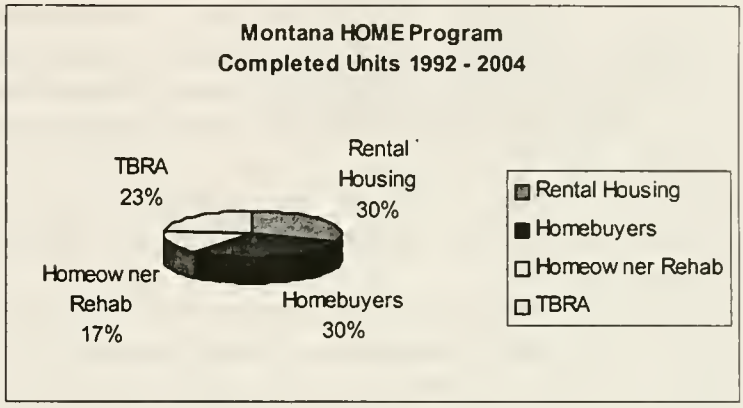
Monitoring

CDBG projects will be monitored on-site during the plan year. A basic requirement of the Montana CDBG programs, Housing and Neighborhood Renewal, Public Facilities and Economic Development, is that state program staff will monitor each project at least once. CDBG operates under a comprehensive monitoring system, meaning that all elements of the local CDBG project are reviewed in up to eleven different areas. Within each of these areas, staff completes an extensive checklist whereby each project element is reviewed for compliance with HUD and state program requirements. Following the monitoring visit, staff issues a formal letter to the chief elected official of the local government reporting on the monitoring visit, noting any "Concerns," "Questions of Performance," or "Findings", as may be applicable. Local governments are asked to respond promptly regarding any questions of performance or findings.

For CDBG economic development projects, the method of project monitoring has been modified over the years in response to the many nonprofit community development organizations that are managing CDBG economic development loan funds for one or more local governments. More emphasis is placed on loan documentation and financial

evaluation procedures, requiring additional technical assistance from the state and other federal partners. A revolving loan fund (RLF) checklist has been developed for CDBG economic development projects that have received loan repayments. Loan fund managers can also use it as a reference guide. In addition, when appropriate, CDBG economic development projects may be monitored in areas only where performance problems are anticipated.

HOME INVESTMENT PARTNERSHIPS PROGRAM



The goal of the MDOC HOME program, administered within the MDOC Housing Assistance Bureau, is to expand the supply of decent, safe, affordable housing for low- and very low-income Montana families. The program achieves this goal through a wide range of eligible activities, including tenant-based rental assistance; down payment and closing cost assistance to homebuyers; property acquisition; new construction; reconstruction, relocation, and rehabilitation of property; site improvements; and other activities to develop non-luxury housing.

HUD distributes a formula allocation of federal funds to each state and entitlement city. A minimum of 15 percent of the funds are set aside for programs owned, developed, or sponsored by CHDOs. All HOME funds must assist families below 80 percent of the area median income, and are distributed on a competitive basis. All cities (excluding the entitlement cities of Billings, Great Falls, and Missoula in the first round of applications), towns, counties, contiguous units of local government, public housing authorities, and community housing development organizations (CHDOs) are eligible to apply for HOME funds under the program.

A competitive application process ensures that funds are awarded to those programs providing the best response to local housing needs, that are the most ready to proceed, and that are consistent with the state's Consolidated Plan and the HOME program requirements.

HOME Application Deadline:	March 4, 2005
HOME Award Date (Tentative):	May 2005
HOME Administration Workshop (Tentative):	June 2005

To assure that applications are evaluated consistently and fairly, all projects are evaluated against ranking criteria set forth in the application guidelines published each year. An application can score a maximum of 600 total points, and must achieve a

minimum score of 300 points in order to be funded. The ranking criteria and respective points available follow:

Financial Management	200 Points
Program Management	100 Points
Project Planning	100 Points
Capacity Determination	200 Points
Total Possible	**600 Points**

Funds are awarded to the top-ranked CHDO applications receiving a score of at least 300 points until the required 15 percent set-aside requirement is met. The balance of the funds is awarded to the remaining top-ranked projects achieving the minimum score, including any CHDOs not funded by the set-aside, until all funds are allocated. If all funds are not awarded due to an insufficient number of applications meeting the minimum funding threshold, the remaining funds will either be awarded through a second round of competition or retained and allocated in the next funding cycle.

The MDOC must ensure there are sufficient first-time homebuyer programs to utilize the American Dream Downpayment Initiative (ADDI) funds. The majority of the ADDI funds will be granted following the existing allocation process through competitive applications. However, Montana's three entitlement cities, Missoula, Great Falls, and Billings, are not large enough to receive an allocation of ADDI funds from HUD. Since the MDOC's allocation of ADDI funds was based upon the number of low-income renters in the state relative to the number of low-income renters in the nation, the MDOC will grant funds to Missoula, Great Falls and Billings based on the number of low-income renters in each city relative to the number of low-income renters in Montana. Of the state's ADDI allocation, Billings will receive about 14 percent of MDOC's allocation, or $23,078, Missoula 13 percent, or $21,429; and Great Falls 10 percent, or $16,484.

The cities will not be required to submit applications to the MDOC, but will be required to demonstrate a viable plan for disbursing the ADDI funds in a timely manner. Additionally, each city will be subject to all HOME regulations and MDOC requirements pertaining to the HOME program. Specifically, the cities will be required to:

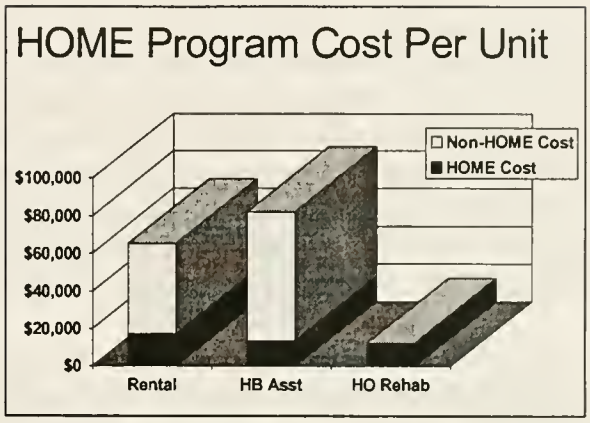
- ☑ Sign a contract with the MDOC;
- ☑ Submit an approved management plan, to include outreach to residents of public and manufactured housing; and
- ☑ Conduct an environmental review.

Each city will have the option to enter into a contract with another entity of its choosing to manage its homebuyer program. The MDOC HOME program will have to approve the contract to ensure that proper procurement procedures were followed.

The MDOC ADDI funds granted to the cities can be combined with other city funds to provide sufficient down payment and closing cost assistance.

Match Requirement

Required contributions, or "match," for HOME applicants is a minimum of five percent of non-administrative HOME funds expended. A majority of applicants provide match in excess of the federally mandated 25% match. Therefore, any shortfall in the match requirement is provided by MDOC funds and/or previous years' excess match. Matching funds must be permanently committed to HOME assisted or HOME qualifying projects.



As a rule, investment from state/local government or private sources is eligible to qualify as a matching contribution. Eligible sources of match include: cash; the value of foregone interest, taxes, fees or charges by both public and private entities; value of donated land or real property; investments in on- or off-site improvements; bond financing; donated construction materials and voluntary labor. Federal funds (including CDBG funds) and owner financing/equity are ineligible match sources.

Period of Affordability

HOME assisted units must remain affordable for a specific length of time. Deed restrictions, covenants running with the land or other approved mechanisms will ensure the period of affordability, depending on the amount of HOME dollars invested per unit in the project. After the required affordability period, the property may be sold without HOME restrictions. The table below outlines the affordability periods. Note that homeowner rehabilitation projects have no affordability requirements. However, HOME staff recommends restrictions similar to those for rental properties.

HOME PROGRAM PERIOD OF AFFORDABILITY				
	Years of Affordability			
Activity	5	10	15	20
New Construction				X
Rental Rehabilitation or Acquisition of Existing Housing				
Under $15,000 per unit	X			
$15,000 to $40,000 per unit		X		
Over $40,000 per unit			X	

Guidelines for Recapture or Resale

As shown in the previous table, homebuyer assistance programs are subject to a period of affordability, based on the amount of HOME dollars invested. Sale of the property by

the homebuyer during the period of affordability is subject to one of two options: resale restrictions or a possible recapture of the HOME subsidy.

The **Resale** provision provides for the assisted property to remain affordable for the period of affordability. Any subsequent purchaser during the period of affordability must be low-income and occupy the property as his/her principal residence. The seller of the initial property will receive a fair return on his/her investment, but the unit must also be "affordable" to the purchaser. This can be accomplished with a deed restriction with the right of first refusal for the grantee to purchase the property. This provision is rarely used and will be used less in light of HUD's interpretation of regulations regarding repayment of grant funds during a foreclosure.

The HOME investment subject to **Recapture** is based on the amount of HOME assistance provided and the affordability period on which it is based. Repayment of HOME proceeds at transfer of the property must be reinvested in another HOME-eligible activity. The beneficiaries of that investment must also be low-income households.

There are three acceptable methods of recapture:

1. Recapture the entire amount of the HOME investment. The amount may be reduced based on the time the homeowner has owned and occupied the unit measured against the required affordability period.
2. Distribute net proceeds. Any equity may be distributed based upon the ratio of the HOME subsidy to the sum of the homebuyer's investment plus the HOME subsidy.
3. Guarantee the homebuyer's investment. If agreed upon, the program may allow the homeowner to recover all of his/her investment before recapturing the HOME investment.

Recapture in the Event of Foreclosure

In the past, the MDOC HOME program has interpreted HUD's regulations regarding foreclosure as: the grantee should try to recoup as much of the HOME investment as possible but, realistically, not to expect to receive any repayment because the HOME funds are usually in a subordinate position. However, in 2003, HUD issued a different interpretation of those regulations.

In cases where proper recapture policies are not in place, HUD now requires full repayment to the U.S. Treasury any HOME funds invested in a home that ends up in foreclosure, regardless of the amount of funds actually recovered by the grantee from the sale of the home. For example, $15,000 of HOME funds is invested in a home; five years later that home is foreclosed upon and the program does not recapture any of the HOME funds, all $15,000 would have to be paid to the U.S. Treasury.

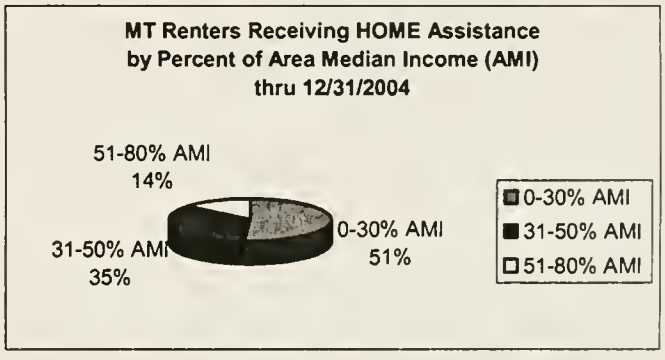
Therefore, all grantees using HOME funds for homebuyer assistance activities must ensure the repayment provisions in legal documents (deed restrictions, trust indentures,

promissory notes, etc.) are based on net proceeds from sales and have the proper language in place to prevent repayment of funds to HUD in the event of foreclosure. Sample language that will meet HUD's requirements is below:

> "If the borrower becomes the subject of a foreclosure proceeding that results in the sale of part or all of the premises, all sums in excess of those paid to superior lien holders shall be paid to (*Grantee*) to apply to the outstanding balance of this loan. If there are insufficient funds to pay off the promissory note secured herein, (*Grantee*) may in its own discretion waive the payment of any or all of the outstanding loan balance."

Monitoring

At a minimum, all HOME projects will be monitored at the conclusion of the project. Monitoring includes determining compliance with housing codes and applicable federal and state regulations and policies, assessing affirmative marketing actions and outreach to minority and women owned businesses, and ensuring that all funds have been properly expended and accounted for. The HOME program staff will specifically check HOME funds drawn on a minimum of 15 percent of the drawdown requests. In addition, monitoring visits will verify that participants' incomes and rents, purchase price or after-rehabilitation values are within HOME limits.



On-site visits of rental units are conducted throughout the period of affordability; the frequency of the visits is based on the number of project units. On-site visits of TBRA units are performed each year during an active TBRA grant. During on-site visits, HOME staff members verify that properties meet HQS inspections, house income-qualified tenants, and charge rents that meet HOME requirements. HOME staff also validates program income or CHDO proceeds reports during on-site visits.

Annually, grantees that received funds for rental or homebuyer assistance programs are required to certify that their projects still meet affordability requirements. For rentals, grantees must certify that tenant incomes and project rents meet HOME limits and that the property continues to meet Housing Quality Standards. Homebuyer projects must certify that recipients of HOME funds continue to use the assisted property as their permanent residence and report any program income or CHDO proceeds resulting from property sales.

EMERGENCY SHELTER GRANT PROGRAM

Emergency Shelter Grants, administered by the MDPHHS Intergovernmental Human Services Bureau, are to help improve the quality of existing emergency shelters for the homeless, make available additional shelters, meet the costs of operating shelters, and provide essential social services to help prevent homelessness. The grants are 100 percent funded by the HUD. The 10 regional Human Resource Development Councils receive 95 percent of the grant funds. The MDPHHS retains the remaining 5 percent for administrative costs. The grants fund the renovation, rehabilitation, or operating costs of homeless shelters, and the provision of follow-up and long-term services to help homeless persons escape poverty. Shelters assisted and services delivered are determined by the regional HRDCs.

The Montana Emergency Shelter program distributes funds based upon a formula allocation. The amount of funds allocated is determined based on poverty levels and general population in each service area, relative to the poverty and general population of the entire state. Funds are distributed to each HRDC. All HRDCs will submit work plans, budgets, and reports outlining which of the allowable activities will be undertaken. The work plans must include how matching funds will be realized, and a certification of local approval verifying that budgets and work plans have been reviewed and approved by a representative of the respective jurisdiction. Each HRDC matches 100 percent of the funds received from ESG with local resources, primarily United Way funding and volunteer labor.

ESG funds provide medical services to homeless individuals and families, pay for hotel/motel rooms for homeless individuals, pay rent or mortgages for homeless families, and provide support groups, individual counseling, referral, advocacy, and transport to homeless persons. Shelters use funds to pay rent or mortgages, pay utilities, buy furnishings, and pay for maintenance and operational costs of their facilities. ESG funds also pay security deposits on rent or utilities (or first month's rent) to enable homeless families to move into their own dwellings. The MDPHHS has elected to allocate its funding to the ten nonprofit HRDCs across the state.

Monitoring

ESG funds will be distributed to each HRDC in Montana. The HRDCs submit annual work plans, budgets, and reports outlining which allowable activities will be undertaken. The MDPHHS enters into a contract with each HRDC, which will explicitly describe percentage limitations on staff operations established by HUD regulation. ESG staff monitors each HRDC onsite annually, following the work plan submitted, and checks expenditures made to ensure contract compliance.

MONTANA

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APPENDIX A

HOUSING COORDINATING TEAM

CONSOLIDATED PLAN STEERING COMMITTEE

MONTANA COUNCIL ON HOMELESSNESS

WATER, WASTEWATER AND SOLID WASTE AGENCIES COORDINATION TEAM

EQUAL HOUSING OPPORTUNITY

APPENDIX A

HOUSING COORDINATING TEAM

Gerry Watne
HCT Chair
Multi-Family Program
MT Board of Housing
Helena, MT

Mary Lou Affleck
MT Partnership Office
Fannie Mae
Billings, MT

Michelle Barstad
MT Facility Finance Authority
Executive Director
Helena, MT

Bruce Brensdal
MT Board of Housing Exe. Director
Housing Division. Administrator
MDOC
Helena, MT

Charlie Brown
Single Family Program
MT Board of Housing
Helena, MT

Lucy Brown
Public Housing Authority of Billings
Billings, MT

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MDOC
Helena, MT

Deborah Chorlton
Rural Development
Housing Director
U.S. Dept of Agriculture
Bozeman, MT

Dave Cole
Community Development. Division
Administrator
MDOC
Helena, MT

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Helena, MT

Leslie Edgcomb
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MDOC
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Julie Flynn
HOME Program Manager
Housing Division.
MDOC
Helena, MT

Tom Friesen
MT Field Office Director
U.S. Dept of Housing & Urban Dev.
Helena, MT

Larry Gallagher
MT Field Office
U.S. Dept of Housing & Urban Dev.
Helena, MT

Hank Hudson
Human & Community Services
Division Administrator
MDPHHS
Helena, MT

Jeannie Huntley
Housing Div. / MT Board of Housing
Promotion Manager
MT Board of Housing
Helena, MT

Chris Imhoff
CDBG Program
Community Development Div.
MDOC
Helena, MT

Janet Kenny
CDBG Program
Community Development Div.
MDOC
Helena, MT

Frank Kromkowski
CDBG Program
Community Development Div.
MDOC
Helena, MT

Gene Leuwer
Rocky Mountain Development
Council
Helena, MT

Bob Morgan
Single Family Program Manager
MT Board of Housing
Helena, MT

Michael O'Neil
MT Home Choice Coalition State
Director
AWARE Inc. Program Officer
Helena, MT

Dave Parker
Project Based Section 8 Manager
Housing Division
MDOC
Helena, MT

Sheila Rice
Neighborhood Housing Services /
Montana Homeownership Network
Executive Director
Great Falls, MT

Mat Rude
Multi-Family Program Manager
MT Board of Housing
Helena, MT

Maureen Rude
MT Partnership Office
Fannie Mae
Helena, MT

Judy Schneider
HRDC VII
Billings, MT

George Wam (retired)
Housing Assistance Bureau Chief
Housing Division
MDOC
Helena, MT

CONSOLIDATED PLAN STEERING COMMITTEE

Marcia Armstrong Addictive & Mental Disorders Division MDPHHS Helena, MT	Bruce Brensdal MT Board of Housing Exe. Dir. Housing Division Administrator MDOC Helena, MT	Jerilee Brooks MT Partnership Office Fannie Mae Helena, MT
Gus Byrom CDBG Program Manager MT Dept of Commerce Helena, MT	Dave Cole Community Development Division Administrator MDOC Helena, MT	Leslie Edgcomb CP Coordinator Housing Division MDOC Helena, MT
Julie Flynn HOME Program Manager Housing Division MDOC Helena, MT	Bob Morgan Single Family Program Manager MT Board of Housing Helena, MT	Michael O'Neil MT Home Choice Coalition State Director AWARE Inc. Program Officer Helena, MT
Mat Rude Multi-Family Program Manager MT Board of Housing Helena, MT	Maureen Rude MT Partnership Office Fannie Mae Helena, MT	Karyl Tobel CDBG-Economic Development Program Manager Business Resources Division MDOC Helena, MT
George Warn Housing Assistance Bureau Chief (retired) Housing Division MDOC Helena, MT	Gerry Watne Multi-Family Program MT Board of Housing Helena, MT	

MONTANA COUNCIL ON HOMELESSNESS

Agency or Entity	Representative
Addictive and Mental Disorders	Ed Amberg, Administrator Montana State Hospital Addictive & Mental Disorders Division MT Dept of Public Health & Human Services Warm Springs, MT
American Indian Advocacy & Legal Counsel	Sherry Scheel Matteucci Matteucci Law Firm Billings, MT
Continuum of Care	Bob Buzzas, Consultant CIVIC Consulting Bozeman, MT
Department of Commerce	Mark Simonich, Director MT Dept of Commerce Helena, MT 59601
Department of Corrections	Mike Ferriter, Administrator Adult Community Corrections Division MT Dept of Corrections Helena, MT
Department of Housing & Urban Development	*Ex Officio:* Tom Friesen, Director Helena Field Office - HUD Helena, MT
Department of Labor & Industry	Gordon Higgins Job Service Programs Bureau Chief Workforce Services Division MT Dept of Labor & Industry Helena, MT
Department of Public Health & Human Services	Hank Hudson, Division Administrator Human and Community Services Division MT Dept of Public Health & Human Services Helena, MT
Governor's Office	Bob Andersen, Lead Budget Analyst Office of Budget & Program Planning Helena, MT
Health Care for the Homeless	Lori Hartford Health Care for the Homeless Billings, MT
Homeless or Previously Homeless Person	Eric Sells C/O Stepping Stones Missoula, MT
Homeless Service Provider	Joe Bischof, Director Poverello Center Missoula, MT
Montana Board of Crime Control	Roland Mena, Executive Director Board of Crime Control MT Dept of Justice Helena, MT
Montana Wyoming Tribal Leaders Council	Gordon Belcourt, Executive Director MT/WY Tribal Leaders Council Billings, MT
Office of Public Instruction	Terry Teichrow, Director Homeless Youth Grant MT Office of Public Instruction Helena, MT
Social Security Administration	Donald P. Ketchum, Executive Officer Social Security Administration Denver, CO
Veterans' Affairs	Joe Foster, Administrator Veterans' Affairs Division MT Dept of Military Affairs Helena, Montana

WATER, WASTEWATER AND SOLID WASTE AGENCIES COORDINATION TEAM

In 1982, representatives from state, federal, and non-profit organizations that finance, regulate, or provide technical assistance for community water and wastewater systems decided to gather on a regular basis to coordinate and enhance their individual efforts. This informal group came to be called the "Water, Wastewater and Solid Waste Agencies Coordination Team" (W_2ASACT). W_2ASACT currently meets bimonthly.

Although this entity does not show up on the organizational table of any state agency, it does have a close relationship with the MDOC Community Development Division. The original impetus for establishing the W_2ASACT group came from division staff and division staff chaired the meetings for several years; the Chair is now rotated among participating agencies. W_2ASACT has become the principal means of out reach to communities and for coordination with other agencies regarding the division's infrastructure programs.

The more active participants in W_2ASACT include:

- Federal Agencies and Programs
  - Economic Development Administration
  - Environmental Protection Agency
  - U. S. Department of Agriculture, Rural Development
- State Agencies and Programs
  - Montana Department of Commerce
    - Coal Board
    - Community Development Block Grant Program
    - Treasure State Endowment Program
    - Montana Board of Investments INTERCAP Program
  - Department of Environmental Quality
    - Drinking Water and Water Pollution Control State Revolving Loan Fund Programs (SRF)
    - Various other regulatory and technical assistance programs
  - Department of Natural Resources and Conservation
    - Renewable Resources Grant and Loan Program
- Non-Profit Organizations
  - Midwest Assistance Program
  - Montana Rural Water Systems, Inc.

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APPENDIX B

CITIZEN PARTICIPATION PLAN

EQUAL HOUSING OPPORTUNITY

APPENDIX B - CITIZEN PARTICIPATION PLAN

INTRODUCTION

The U.S. Department of Housing and Urban Development (HUD) consolidated several formula grant programs in 1994. The programs include the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for People With AIDS (HOPWA) programs. Although all four programs are currently utilized in the state, Montana's Consolidated Plan only covers the CDBG, HOME, and ESG programs.

While not directly covered by the Consolidated Plan, the state is the recipient of a competitive HOPWA grant, covering Montana and North and South Dakota, funded through a grant administered by the Montana Department of Public Health and Human Services (MDPHHS). The funds are part of competitively awarded grants for housing, services, and technical assistance, primarily for programs in rural areas that do not qualify for federal block grant funding.

The Consolidated Plan brings together the planning, application, reporting, and citizen participation components for the three formula grant programs. The purpose of this narrative is to present the Citizen Participation Plan prepared by the Montana Department of Commerce (MDOC), Housing Division, a fundamental piece of the consolidated planning process.

The objective of the plan is to ensure that the citizens of Montana, particularly persons of low- and moderate-income, low-income households living in slum and blight areas, units of local government, public housing agencies, and other interested parties, are provided the encouragement and opportunity to participate in planning and preparing the five-year Consolidated Plan and annual action plans, including amendments to the plan, and annual performance reports. In doing so, this narrative lays out the general guidelines around which the Consolidated Plan was developed, sets dates and milestones along which the process proceeds, and outlines methods for citizens to guide and assist the state in formulating the Plan.

THE CONSOLIDATED PLAN

The Consolidated Plan combines the planning, application, public involvement, and reporting requirements of the formula grant programs into one complete process. It promotes unifying opportunities for units of local government, the state, and others, thus laying the foundation for development of cohesive, attractive, safe, and economically vibrant communities. The consolidated planning process encourages all citizens, especially low-income residents, to take part in shaping their own future.

The Consolidated Plan provides the following information to citizens, public agencies, and other interested parties:

- The amount of assistance the state expects to receive;
- The range of activities that may be undertaken; and
- The general program activities that will be planned in addressing the priority needs outlined in the plan.

The plan also presents details on analysis and evaluation of priority needs statewide, as well as policies related to the provision of affordable housing and community development. The plan offers certifications that statutory guidelines have been followed.

THE PLANNING PROCESS

The Consolidated Plan is developed through public input solicited at meetings throughout the state. Some meetings occur before development of the draft report, thereby collecting distinct issue input and aiding policy formation. Others are held after releasing the draft report, allowing interested parties an opportunity to review how the strategy has been designed and presented. These meetings are scheduled at times and locations that encourage broad citizen participation. To encourage participation by as many groups and individuals as possible, meetings are held in the evening or during the lunch hour. The scheduling caters to citizens and organizations whose primary job may not be directly related to creating such a plan. Evening and lunch-time public participation meetings are intended to solicit the input of low- and moderate-income residents who may be unable to attend daytime meetings due to work conflicts. METNet videoconference meetings are held during normal business hours. The METNet meetings are open to the public and offers additional opportunities for participation in the development of the Consolidated Plan to units of local government and other organizational representatives. When possible, meetings are also held in conjunction with other scheduled meetings, workshops, or conferences being held by the MDOC and other organizations to encourage broader participation.

All citizens are encouraged to participate, including minorities and non-English speaking persons, as well as persons with disabilities. Upon request, the state will make all necessary accommodations to further the participation of these individuals. All public meetings are held in facilities that are accessible to persons with disabilities. HUD's formula programs, alone and with other HUD-funded programs, have three basic goals pertinent to the Consolidated Plan:

☑ To provide decent housing;

☑ To provide a suitable living environment; and

☑ To expand economic opportunities.

Providing decent housing may involve: Increasing the availability of permanent affordable housing for low-income households (without discrimination); assisting

homeless people in obtaining appropriate housing; maintaining the affordable housing stock; and increasing supportive housing to assist persons with special needs.

Providing a suitable living environment means: improving the safety and livability of neighborhoods; deconcentrating housing opportunities and revitalizing neighborhoods; restoring and preserving natural and physical features with historic, architectural, and aesthetic value; and conserving energy resources.

To expand economic opportunities, the comprehensive approach emphasizes: creating accessible jobs; providing access to credit for community development; and assisting low-income persons to achieve self-sufficiency in federally assisted and public housing.

Within our society, the complexity of development problems has risen significantly. Assessing and solving the difficulties has outgrown what narrow, functional programs offer. Montana's priority need problems demand links between human, economic, physical, environmental, and design concerns to build communities of opportunity. In order to gain this comprehension of development complexities, the consolidated planning process must collect the knowledge that exists in the community from citizens, local governments, private business, community-based organizations, and universities.

PUBLIC INPUT TO THE PLAN

Several opportunities for citizen input were provided during the development of the draft five-year Consolidated Plan for April 2005 through March 2010 and the draft Annual Action Plan for April 1, 2005 through March 31, 2006. Notices were sent to local governments, public agencies, member organizations, and citizens throughout Montana encouraging participation in the consolidated planning process. Public input meetings are held for the express purpose of receiving comments on housing and community development needs before the release of the Consolidated Plan. At a minimum, notification of the meetings consisted of:

- Posting dates, times and locations on the *Discovering Montana* Calendar of Events at: http://app.discoveringmontana.com/webapps/cal/event;
- Posting dates, times and locations of the public meetings on the MDOC Housing Consolidated Plan website at: http://housing.state.mt.us/Hous_CP_Apps.asp;
- Publishing display ads in newspapers in and around location towns; and
- Sending personal invitation letters to public officials and other interested parties in and around location towns, using the Consolidated Plan mailing list.

Staff from the Community Development Division and the Housing Division may also provide an opportunity for citizen participation at yearly conventions for the Montana Association of Counties and the League of Cities and Towns, time and budgets permitting. Staff also attends other conferences and meetings that are held throughout the state that provide a forum for additional public input on the Consolidated Plan.

The need for updated or additional information is assessed to determine if further analysis is needed. If warranted, the new or updated information is incorporated into current resource documents for use by applicants to the CDBG, HOME, and ESG programs.

The Annual Performance Report, for the program year covering April 1 through March 31, is released to the public for review and comment. This report evaluates program activities performed during the program year. The public is given an opportunity to examine the contents of the report for a minimum of 15 days.

PUBLIC COMMENT ON THE DRAFT PLAN

After the drafts of the five-year Consolidated Plan for the period ending March 2010 and the Annual Action Plan for the year ending March 31, 2006 were released in the fall, the documents were available for public review and comment for a minimum of 30 days. The public was notified through public notices printed in newspapers of general circulation. The newspaper notices summarized the contents and purpose of the plan and how to obtain copies of Consolidated Plan documents. The phone number, including the TDD number, address, and web address for the Housing Division, MDOC, was included to assist those persons otherwise unable to locate complete copies of the draft five-year Consolidated Plan and Annual Action Plan. An Executive Summary, including information on how to obtain the full documents, was sent to individuals, organizations, and agencies on the Consolidated Plan mailing list. The Internet is used for ready access to the Consolidated Plan documents.

Four public review meetings on the draft five-year Consolidated Plan for the year ending March 2010, and draft Annual Action Plan for the year ending March 31, 2006 were held. Technical assistance is available to groups representing persons of very low- and low- income who request such assistance in developing proposals for funding assistance under programs covered by the Consolidated Plan. The level and type of assistance that is appropriate is determined by MDOC based on ability to provide or arrange for such assistance, the cost of providing assistance, and other relevant factors.

RELEASE OF THE CONSOLIDATED PLAN

Citizens, public agencies, and other interested parties are notified of the availability of the five-year Consolidated Plan and Annual Action Plan as adopted, amendments to the Plan, and the Annual Performance Report. Citizens are given the opportunity to examine the contents of the five-year plan and Annual Action Plan for a minimum of 30 days and 15 days for the Annual Performance Report.

When practicable, written complaints regarding the Consolidated Plan, Plan amendments, and Annual Performance Report will be responded to within 15 working days. A suitable response to those received by December 15, 2004 was made by December 31. For those who wish to lodge a complaint about any of the documents, a letter is to be submitted to Leslie Edgcomb, Consolidated Plan Coordinator, Montana Department of Commerce, P.O. Box 200545, Helena, Montana 59620-0545.

OTHER CITIZEN PARTICIPATION

Citizen participation responsibilities are also placed on program applicants and recipients at the local level. Applicants must provide citizens, especially low and moderate-income residents, adequate notice and opportunity for meaningful involvement in the planning and development of applications. All hearings must be held at times and locations convenient to potential beneficiaries and in facilities that are physically accessible for persons with disabilities.

CDBG Program Requirements

Unless re-applying for the same CDBG project submitted unsuccessfully in the previous year, the applicant must hold a minimum of two public hearings; one before preparing the application and one before passage of a resolution by the governing body authorizing the submission of the application. The first public hearing should be held not more than twelve months before the date of application. The second public hearing should be held not more than three months before the date of application. A record of the required hearings must be submitted with the application for CDBG funds, along with copies of the public notices for the hearings or affidavits of publication for the notices. A verbatim record is not necessary; a list of the names of persons who attended and a summary of comments by local officials and citizens is sufficient.

Applicants reapplying for the same project submitted unsuccessfully in the previous year must hold at least one public hearing before passage of a resolution by the governing body authorizing the submission of the application. The public hearing should be held not more than three months before the date of application.

The purpose of the first hearing is to give citizens an opportunity to identify and discuss their community's overall community development and housing needs and priorities, including the needs of low-and moderate-income persons, and to propose possible projects before the local government makes a decision regarding what project it will seek CDBG assistance for. The first hearing should also cover the estimated amount of state CDBG funds available and provide a description of the activities eligible for CDBG assistance.

The purpose of the second hearing is to give citizens and other potential beneficiaries (especially low-and moderate-income persons) or residents of the proposed project

area adequate opportunity to consider the potential impacts and benefits of the community's proposed project and to comment on it before it is submitted.

HOME Program Requirements

HOME Program applicants must provide citizens adequate notice and opportunity for involvement in the planning and development of HOME applications. Applicants must:

- Hold a minimum of one public hearing or meeting before submission of the application. The purpose of the public hearing or meeting is to solicit public comment on community housing needs and priorities and to discuss the HOME program as a potential source of funding. A public hearing gives citizens and potential beneficiaries of the proposed project adequate opportunity to review and comment on the community's HOME application before it is submitted. The applicant should give due consideration to all comments before the determination of a proposed project. The public hearing must be held within two months of the deadline date of application.

- Submit a record of any public hearings or meetings and copies of the public notices for the hearings or affidavits of publication for the notices, held in relation to the application for HOME funds. A verbatim record is not necessary; the names of persons who attended and a summary of comments by local officials and citizens are sufficient.

ESG Program Requirements

The ESG Program does not require prior citizen participation.

AMENDING THE CONSOLIDATED PLAN

Possible amendments include changes in use of funds from one eligible activity to another, changes in the method of distribution of such funds, new activities, or alteration of the existing activities or budget. MDOC will make a determination as to whether the change is substantial enough to necessitate issuing an amendment to the plan. If so, the MDOC will conduct a public review process with a minimum of one public review meeting and following the guidelines set forth above, present the amendment to the public for their review and comment. Other specific issues related to individual program guidelines are to be presented in the respective program application guidelines.

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APPENDIX C

SUMMARY OF PUBLIC COMMENTS

EQUAL HOUSING OPPORTUNITY

APPENDIX C - SUMMARY OF PUBLIC COMMENTS

PUBLIC INPUT MEETINGS

In the spring, an informational letter was sent to people on the Consolidated Plan mailing list inviting individuals, agencies, and organizations to participate in the preparation of the Montana Five-Year Consolidated Plan and Annual Action Plan for the year beginning April 1, 2005. Display advertisements were placed in newspapers in the host communities and surrounding communities asking for public comment, giving dates and locations of upcoming public input meetings. Display advertisements for each of the individual the meetings were placed in the local newspapers, and personal invitation letters were sent to local officials, public agencies, and interested citizens in each area. The meeting notices were also posted on the *Discovering Montana* E-Calendar at:

http://app.discoveringmontana.com/webapps/cal/event

Glasgow, Anaconda, and Shelby

During March and April 200, three on-site community input meetings were held:

- Glasgow, located in northeastern Montana, on March 30;
- Anaconda, in southwestern Montana, on April 6; and
- Shelby, in northern Montana, on April 14.

The Anaconda and Shelby meetings were held during the lunch hour (11:30 am to 1:00 pm), with a free lunch provided. The Glasgow meeting was held in the evening (with dessert and coffee), following the workshop for infrastructure planning, financing, and management, co-sponsored by the Montana Departments of Commerce, Environmental Quality, and Natural Resources and Conservation, and USDA Rural Development/Rural Utility Service.

Turnout at the public meetings was about what was expected, with five people attending in Glasgow, six in Anaconda, and eight in Shelby.

Additionally, a METNet interactive videoconference was broadcast simultaneously in ten cities around the state on April 22, with better than expected attendance.

METNet Videoconference Public Input Meeting April 22, 2004, 2:00 to 4:00 pm		
Location		**# Attendees**
Helena	Department of Public Health & Human Services	11
Bozeman	Montana State University	2
Butte	Montana Tech of the University of Montana	2
Dillon	Western Montana College of the University of Montana	2
Havre	Montana State University–Northern	4
Kalispell	Flathead Valley Community College	4
Miles City	Miles Community College	7
Billings	Montana State University–Billings	19
Great Falls	MSU College of Technology	3
Missoula	University of Montana	10

Representatives from HOME, CDBG, Section 8, and the Montana Board of Housing were present at all the meetings to answer questions and respond to public comments.

PUBLIC REVIEW MEETINGS

The draft Annual Action Plan and Five-Year Consolidated Plan were released to the public in October 2004. A public comment period was open through December 15, 2005. Notifications were sent to the 800-plus individuals and organizations on the Consolidated Plan mailing list. Display advertisements were placed in key newspapers announcing: the comment period, the website address for the documents, where to obtain hard copies of the document, where to send written comments, and the date and locations of the local, on-site meetings and the METNet videoconference. The meeting notices were also posted on the *Discovering Montana* E-Calendar at:

http://app.discoveringmontana.com/webapps/cal/event

Additionally, display advertisements for each of the individual the meetings were placed in the local newspapers, and personal invitation letters were sent to local officials, public agencies, and interested citizens in each area.

Miles City, Lewistown, and Missoula

Three community public review meetings were held: Miles City, in eastern Montana on October 13; Lewistown, in the geographic center of the state, on October 19; and Missoula, in western Montana, on October 21. The meetings were held in conjunction with the joint application housing application workshops sponsored by the MDOC's CDBG and HOME Program, the Montana Board of Housing, and U.S. Department of Agriculture Rural Development (USDA-RD). A free buffet lunch was available and attendance was outstanding, with 15 attendees each in Miles City and Lewistown, and 26 in Missoula.

In addition, an interactive videoconference meeting was broadcast simultaneously in eight cities around the state in November 2004.

METNet Videoconference Public Review Meeting November 18, 2004, 3:00 – 5:00 pm		
Location		**# Attendees**
Helena	Department of Public Health & Human Services	7
Bozeman	Montana State University	3
Butte	Montana Tech of the University of Montana	1
Havre	Montana State University–Northern	2
Kalispell	Flathead Valley Community College	5
Billings	Montana State University–Billings	3
Great Falls	MSU College of Technology	2

Representatives from HOME, CDBG, Section 8, and the Montana Board of Housing were present at all the meetings to answer questions and respond to public comments.

PUBLIC COMMENTS

Comments received at the meetings generally related to the requirements of the individuals programs. Questions were either answered on the spot by representatives from the individual programs, or were referred to the appropriate program for later follow-up.

Copies of audio tapes, transcripts and/or notes of the public input and review meetings are on file with the Montana Department of Commerce, Housing Division, 301 South Park Avenue, P.O. Box 200545, Helena, Montana 59620.

MONTANA

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APPENDIX D

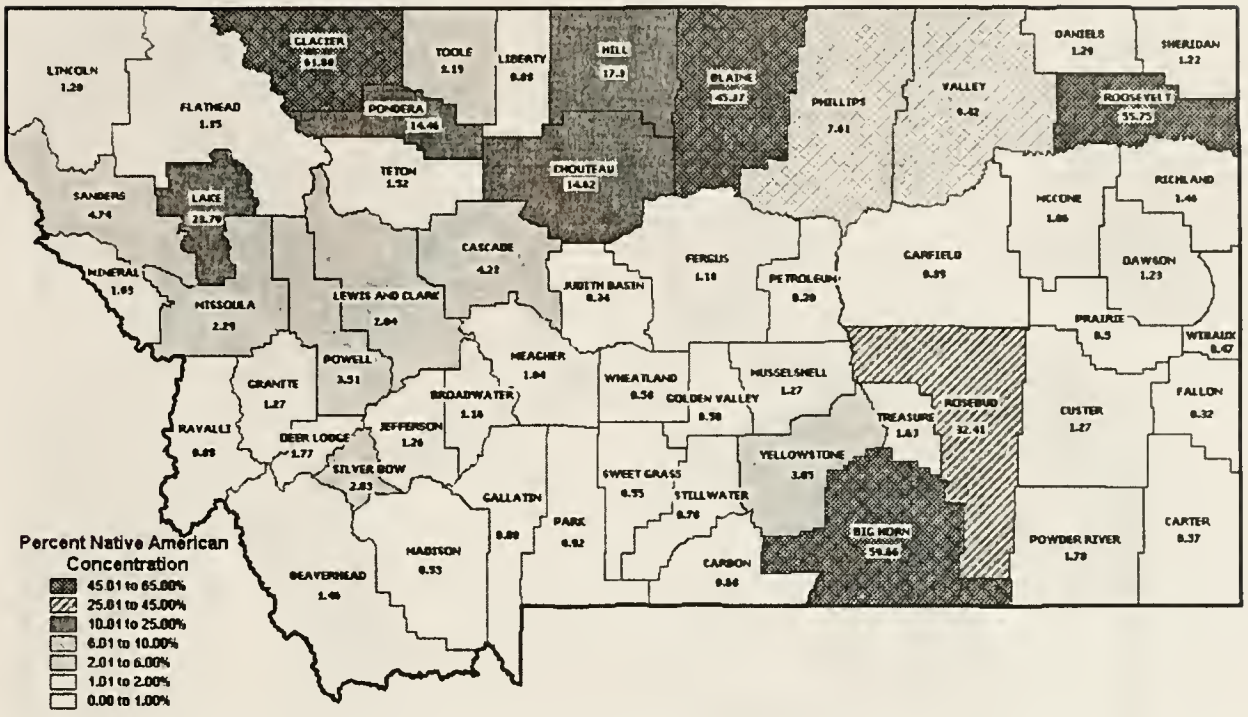
MAPS

EQUAL HOUSING OPPORTUNITY

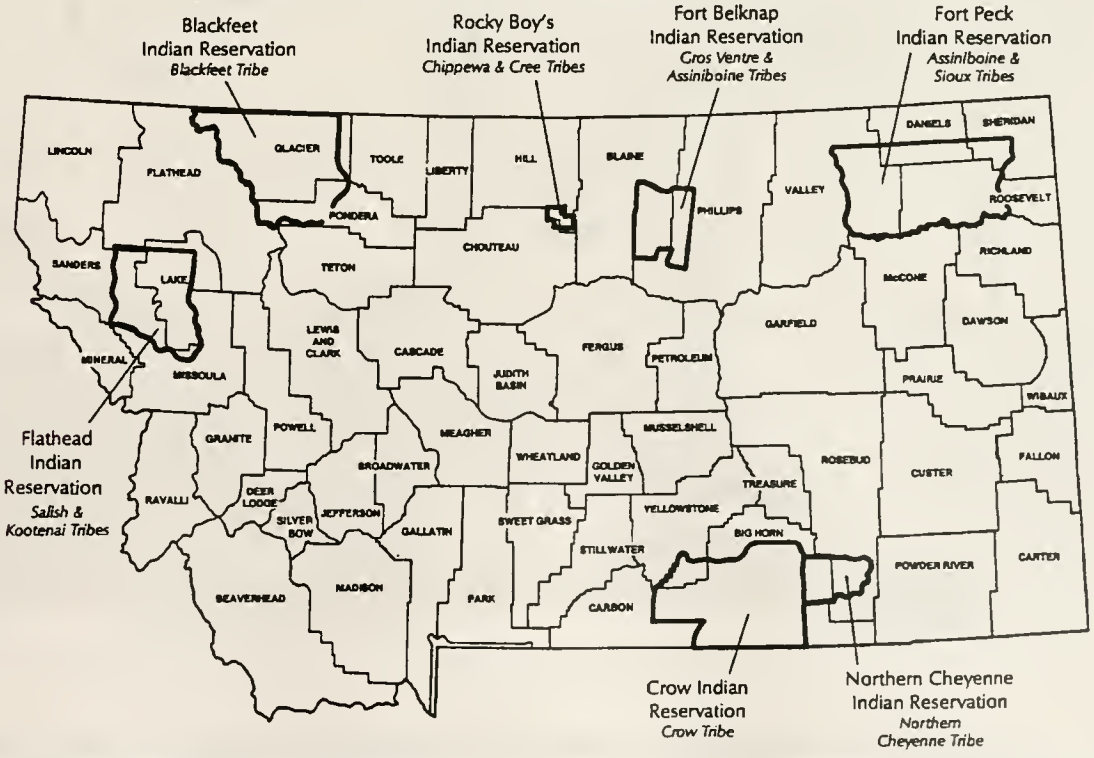
APPENDIX D – MAPS

NATIVE AMERICAN CONCENTRATION BY COUNTY

2000 Census

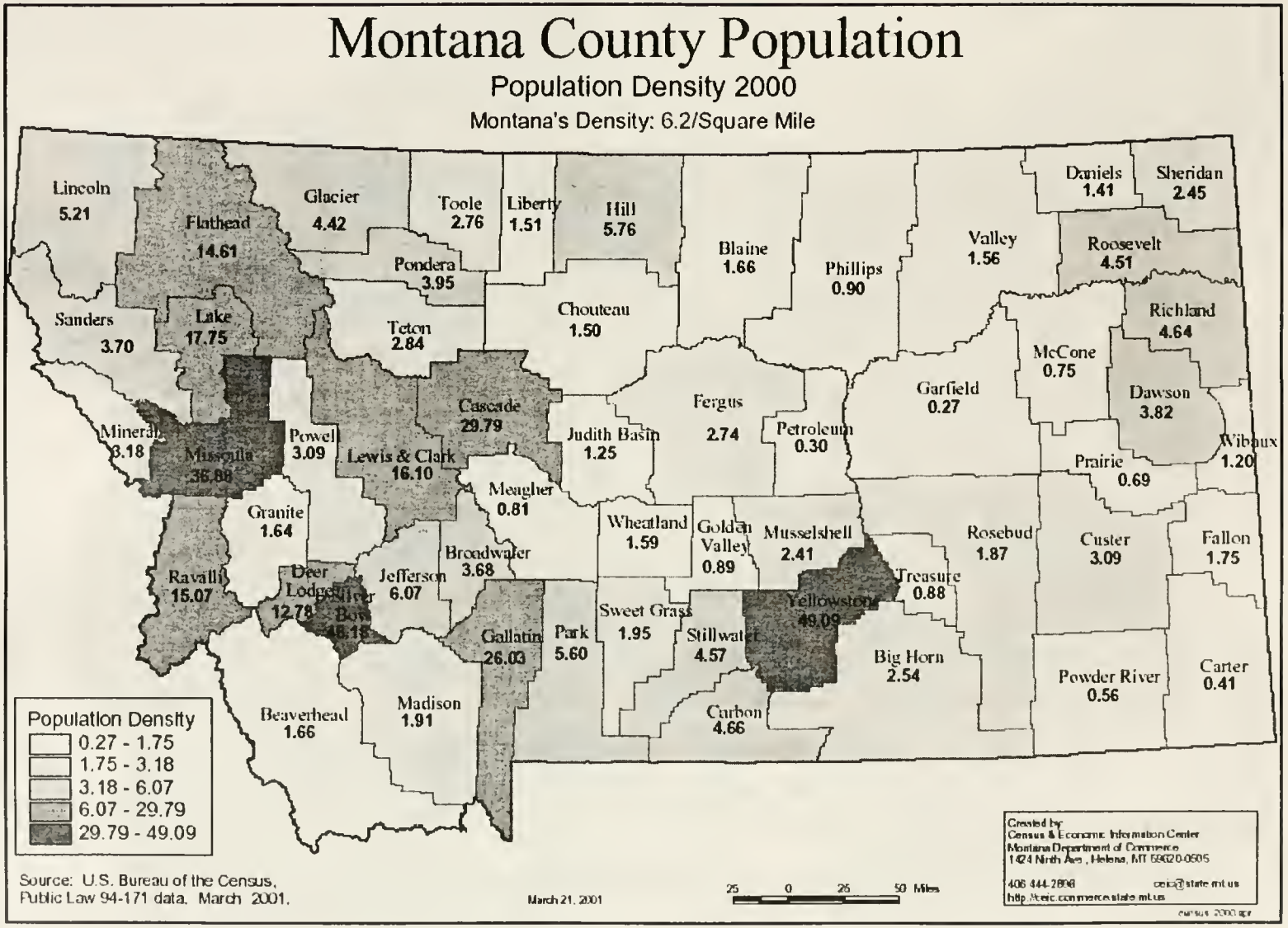


MONTANA'S INDIAN RESERVATIONS

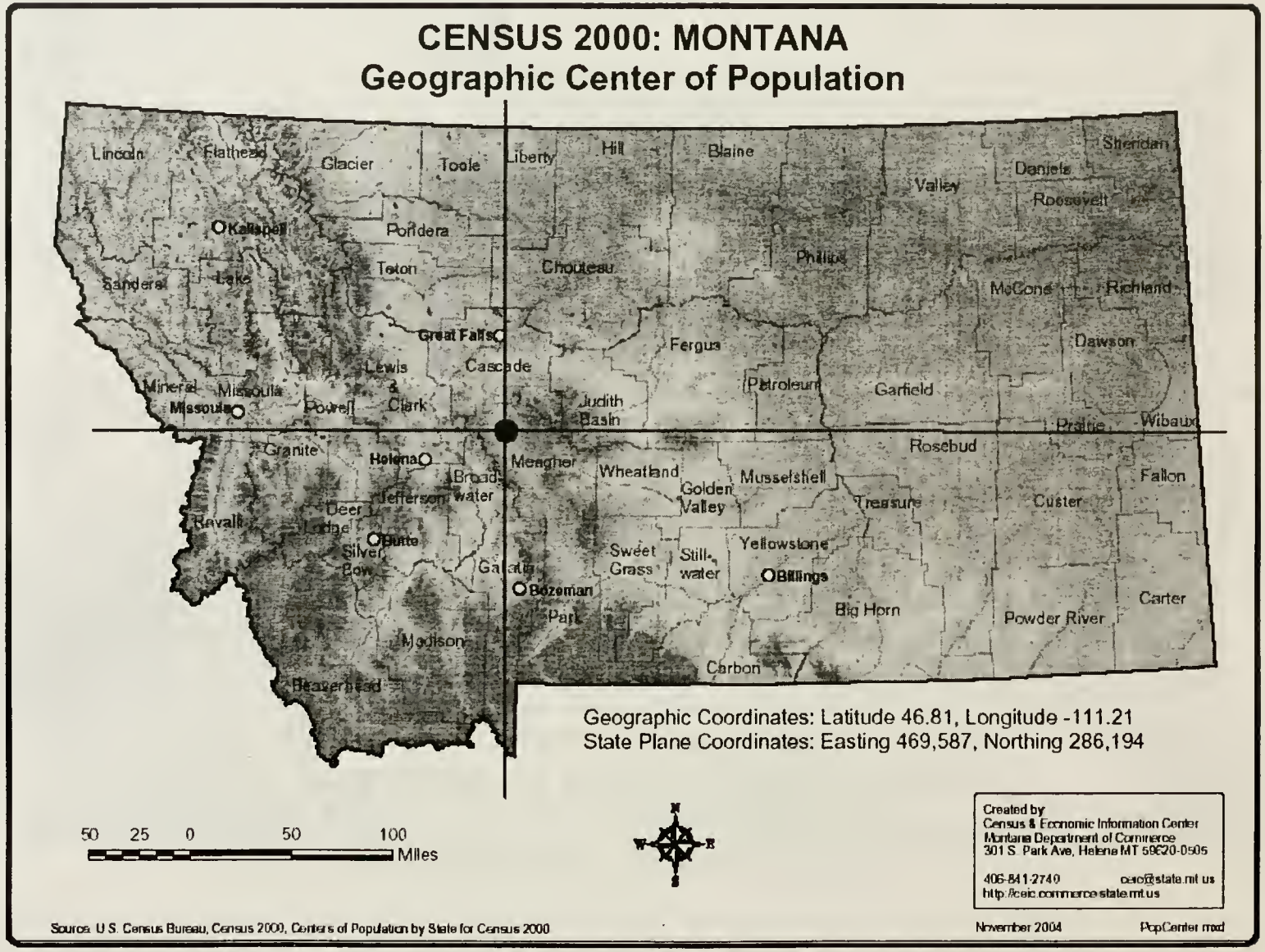


MONTANA AREA COMPARISON

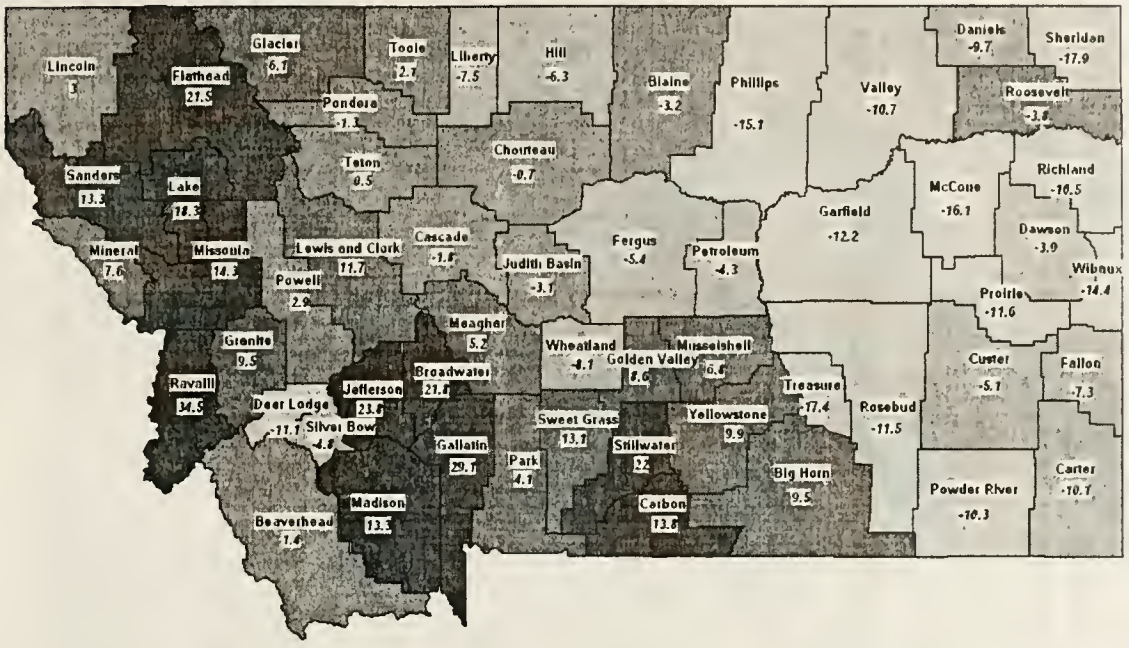
MONTANA COUNTY POPULATION DENSITY



GEOGRAPHIC CENTER OF POPULATION

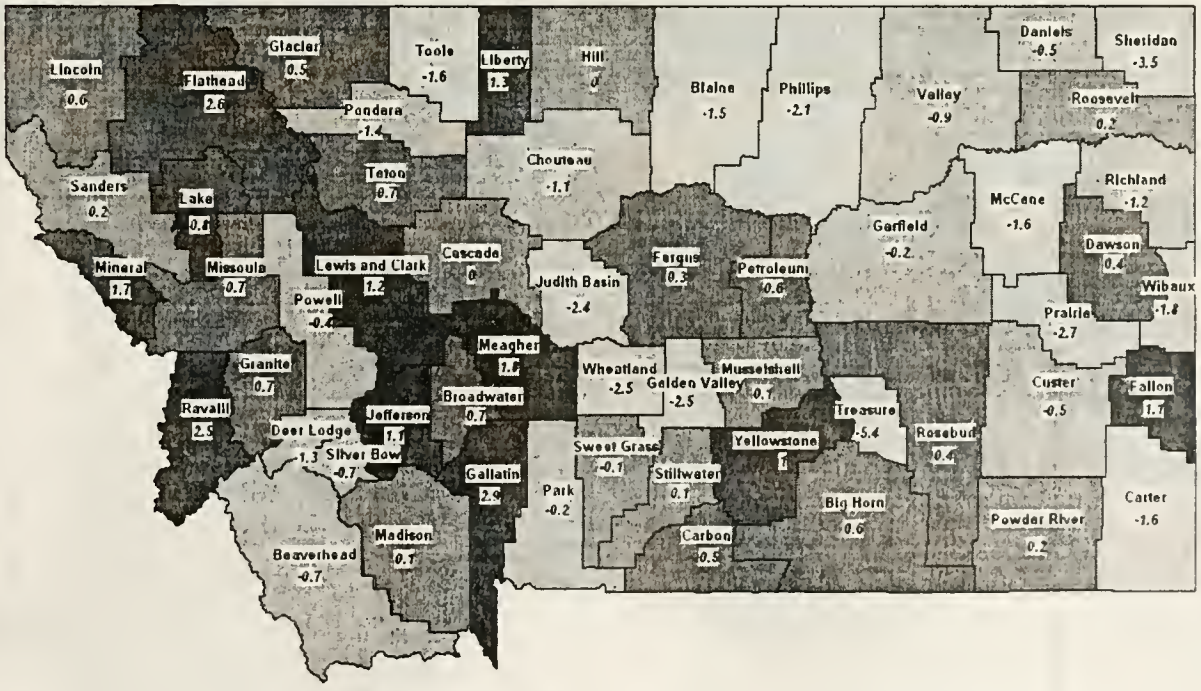


TEN-YEAR COUNTY GROWTH RATE: PERCENT CHANGE 1993 - 2003



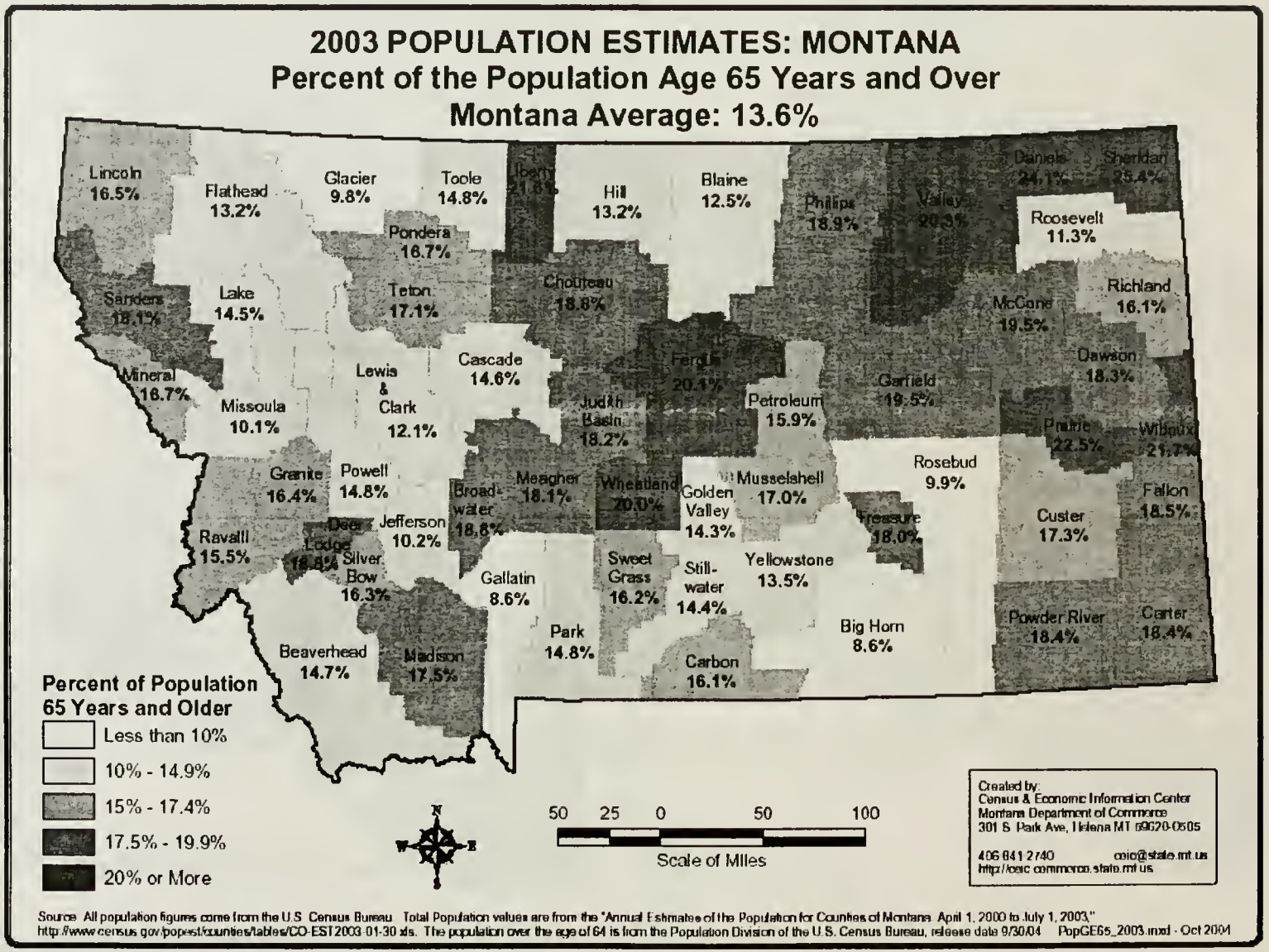
Center for Applied Economic Research
Data from U.S. Census Bureau

ONE-YEAR COUNTY GROWTH RATE: PERCENT CHANGE 2002 - 2003



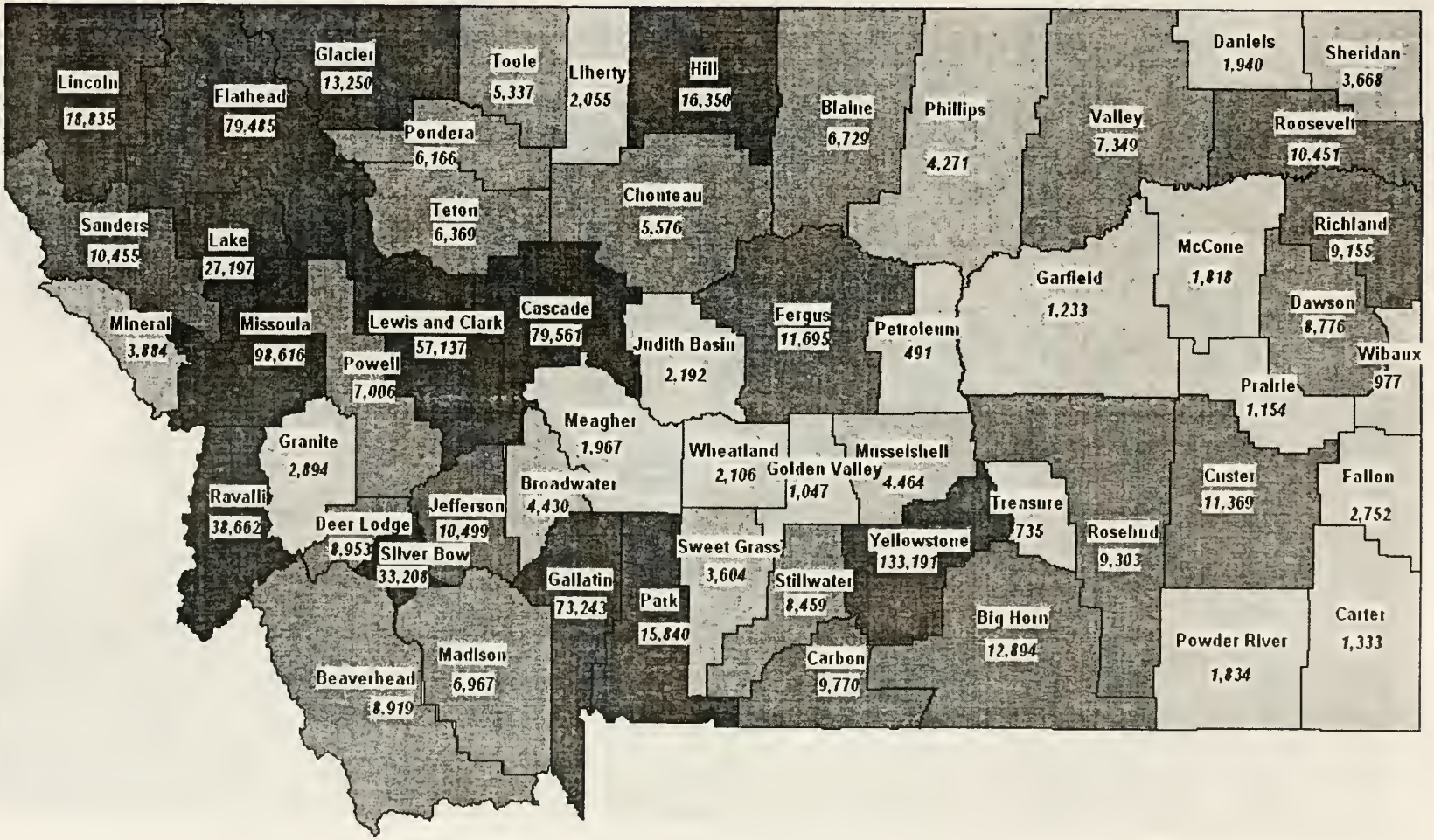
Center for Applied Economic Research
Data from U.S. Census Bureau

PERCENT OF POPULATION AGE 65 YEARS AND OVER



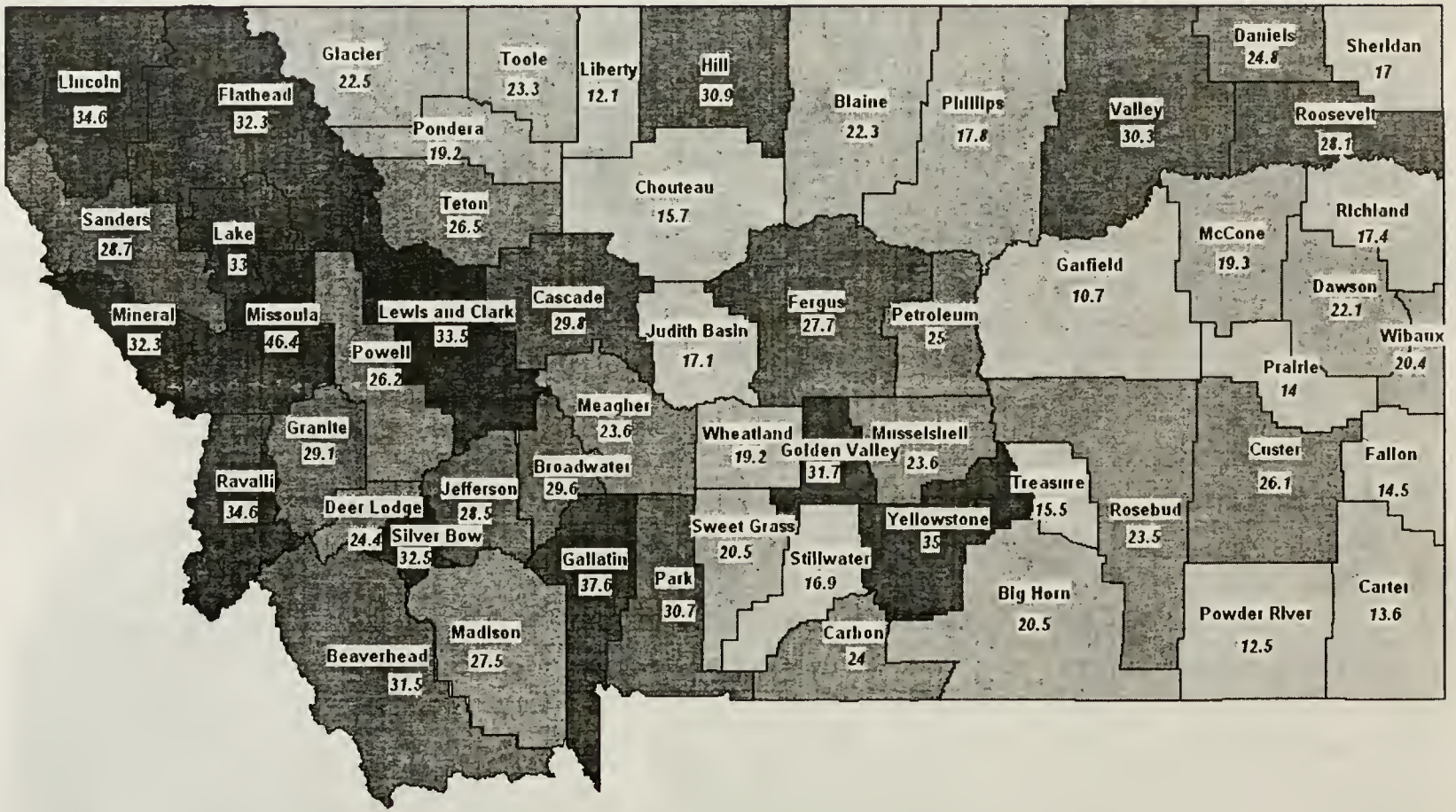
Source: All population figures come from the U.S. Census Bureau. Total Population values are from the "Annual Estimates of the Population for Counties of Montana: April 1, 2000 to July 1, 2003," http://www.census.gov/popest/counties/tables/CO-EST2003-01-30.xls. The population over the age of 64 is from the Population Division of the U.S. Census Bureau, release date 9/30/04. PopGE65_2003.mxd - Oct 2004

2003 POPULATION ESTIMATES BY COUNTY

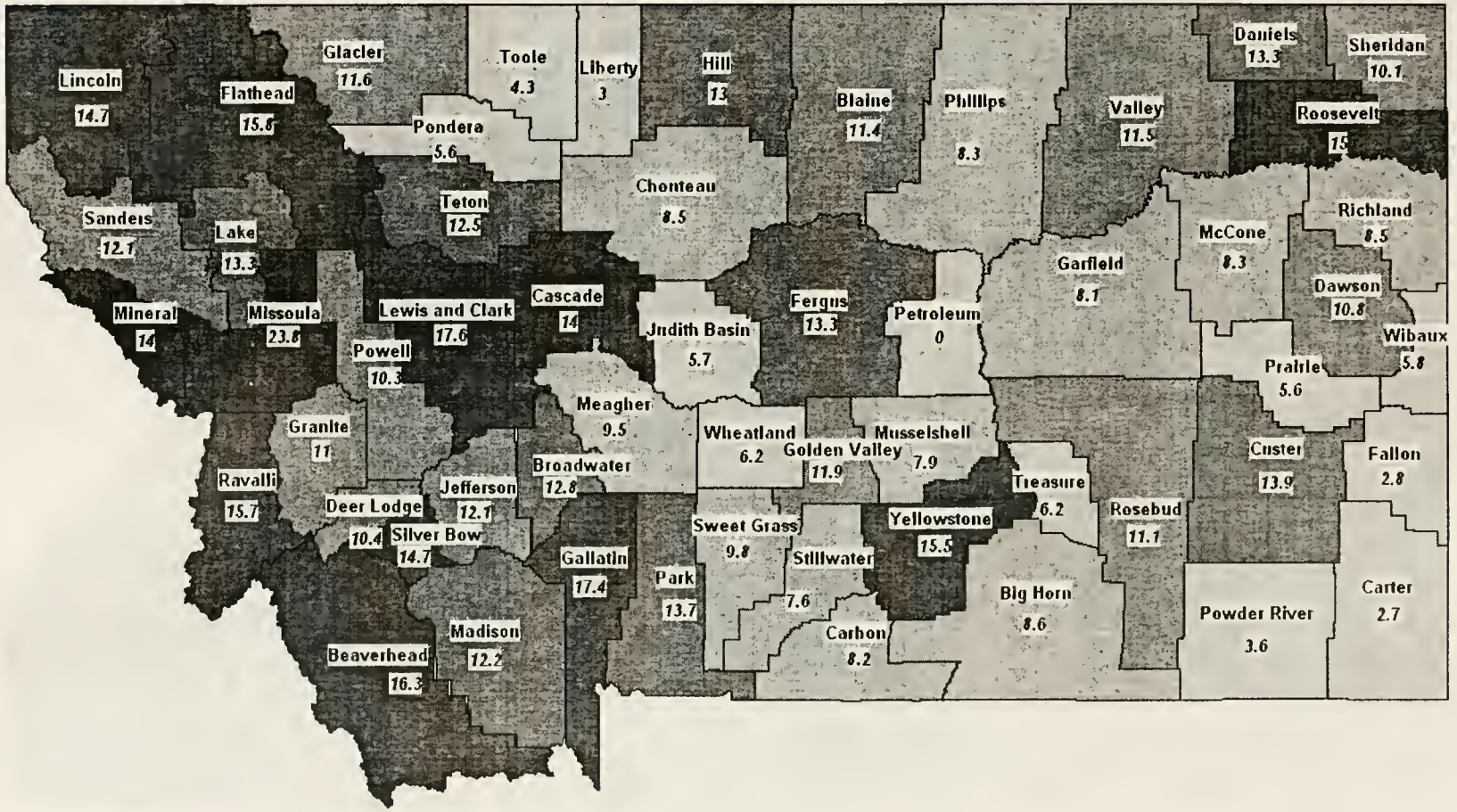


Center for Applied Economic Research
Data from U.S. Census Bureau

PERCENT OF RENTER HOUSEHOLDS WITH A COST BURDEN BY COUNTY
Census 2000



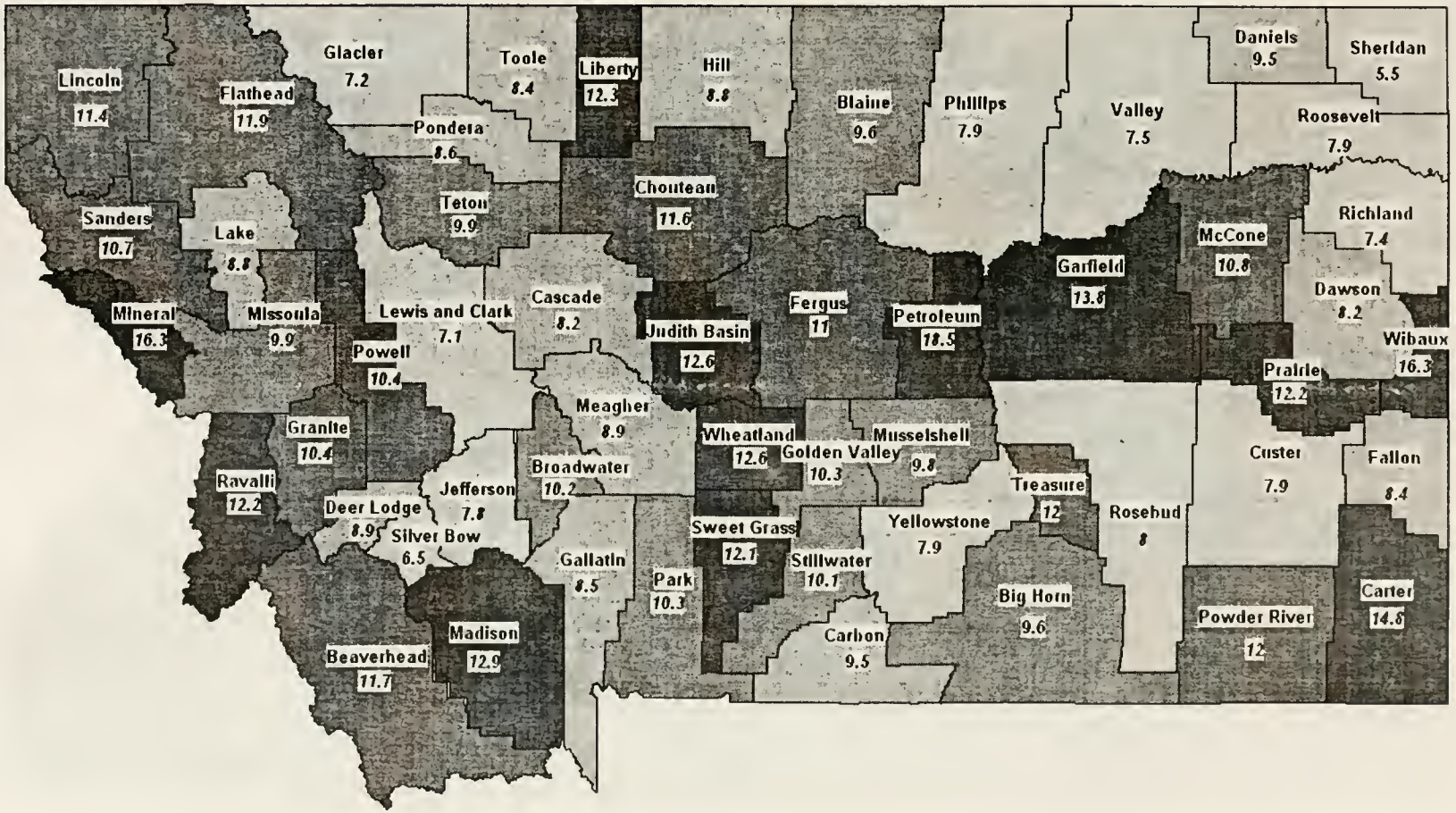
PERCENT OF RENTER HOUSEHOLDS WITH A SEVERE COST BURDEN BY COUNTY
Census 2000



PERCENT OF OWNER HOUSEHOLDS WITH A COST BURDEN BY COUNTY

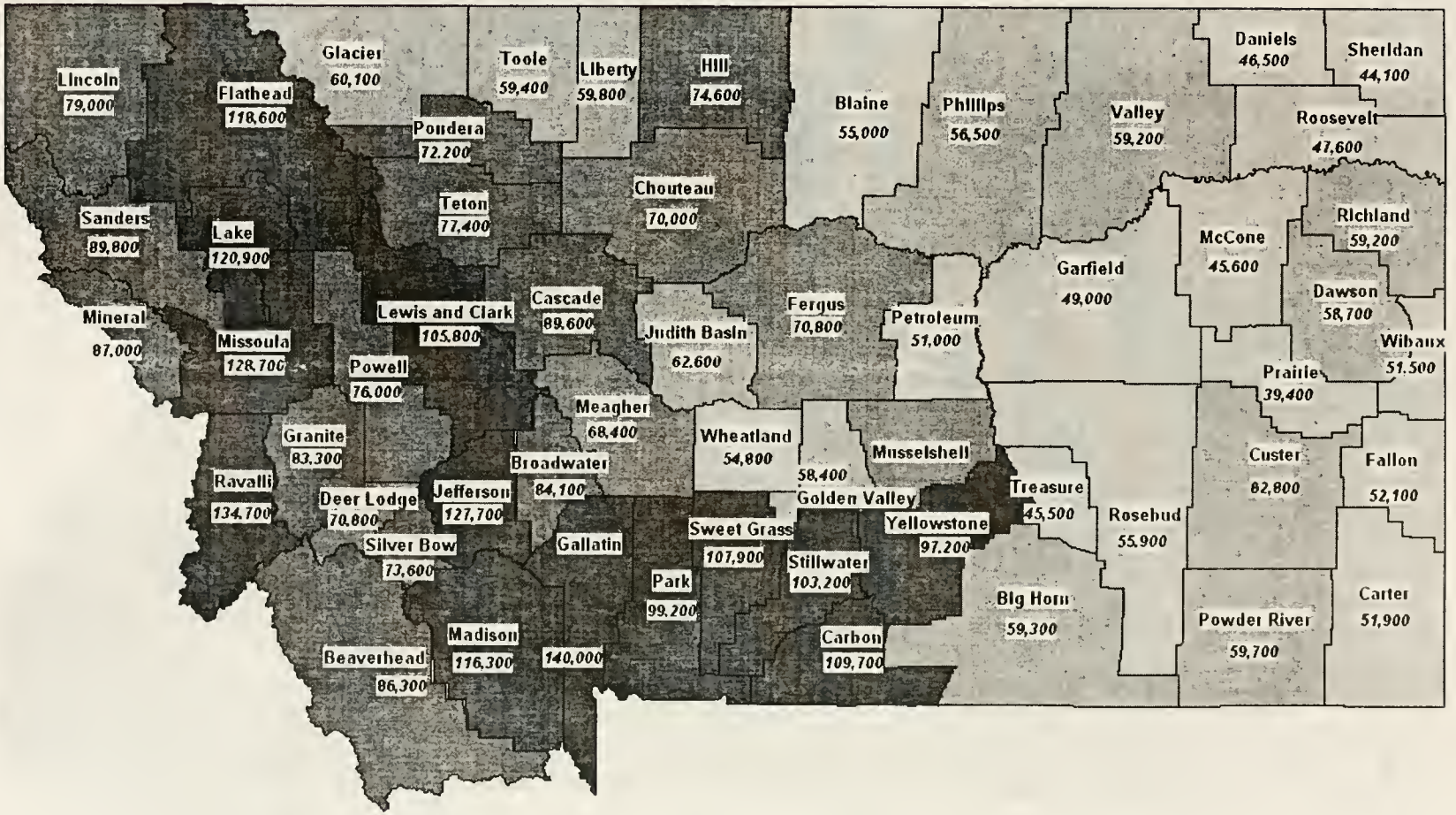
Census 2000

PERCENT OF OWNER HOUSEHOLDS WITH A SEVERE COST BURDEN BY COUNTY
Census 2000

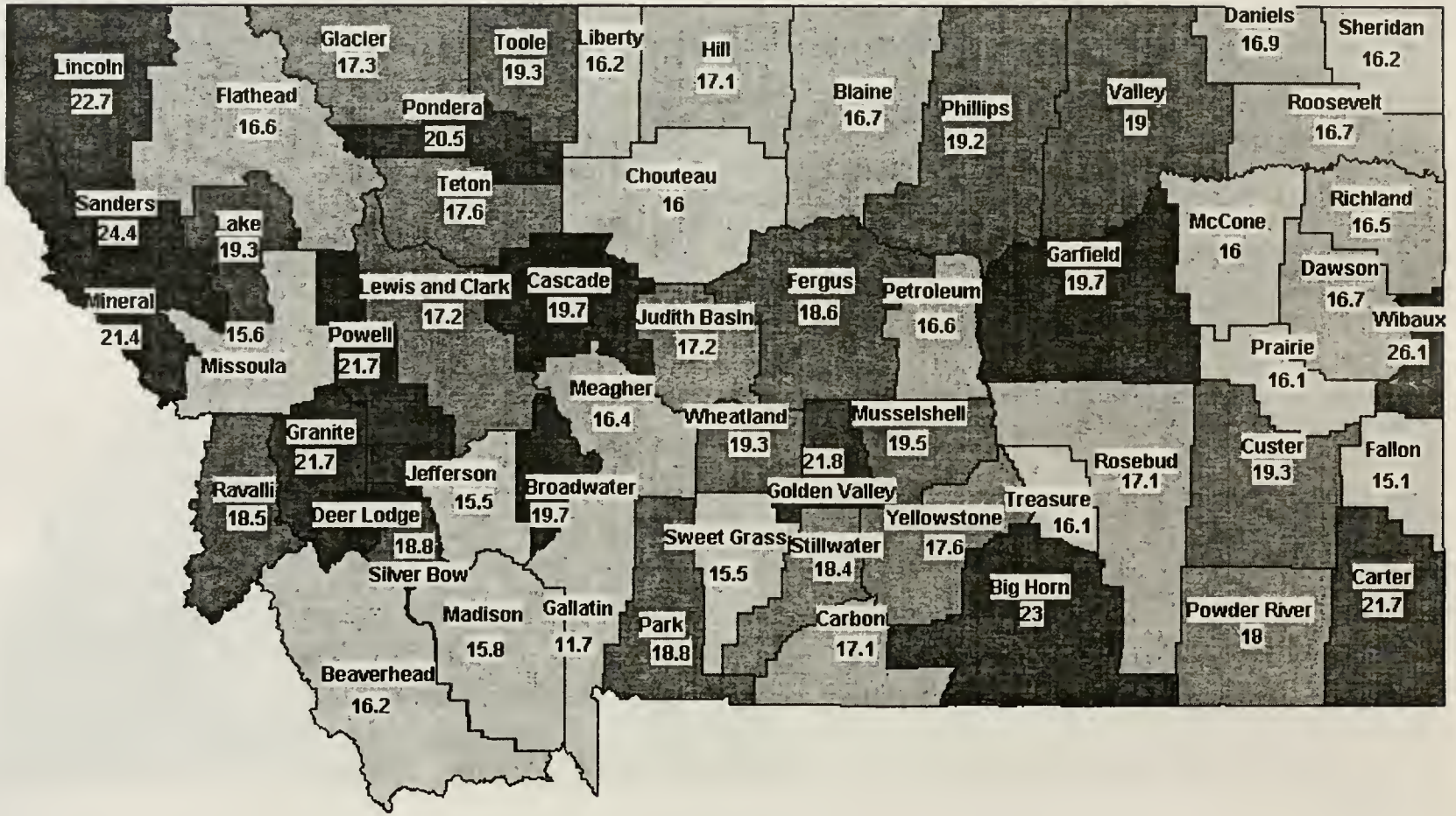


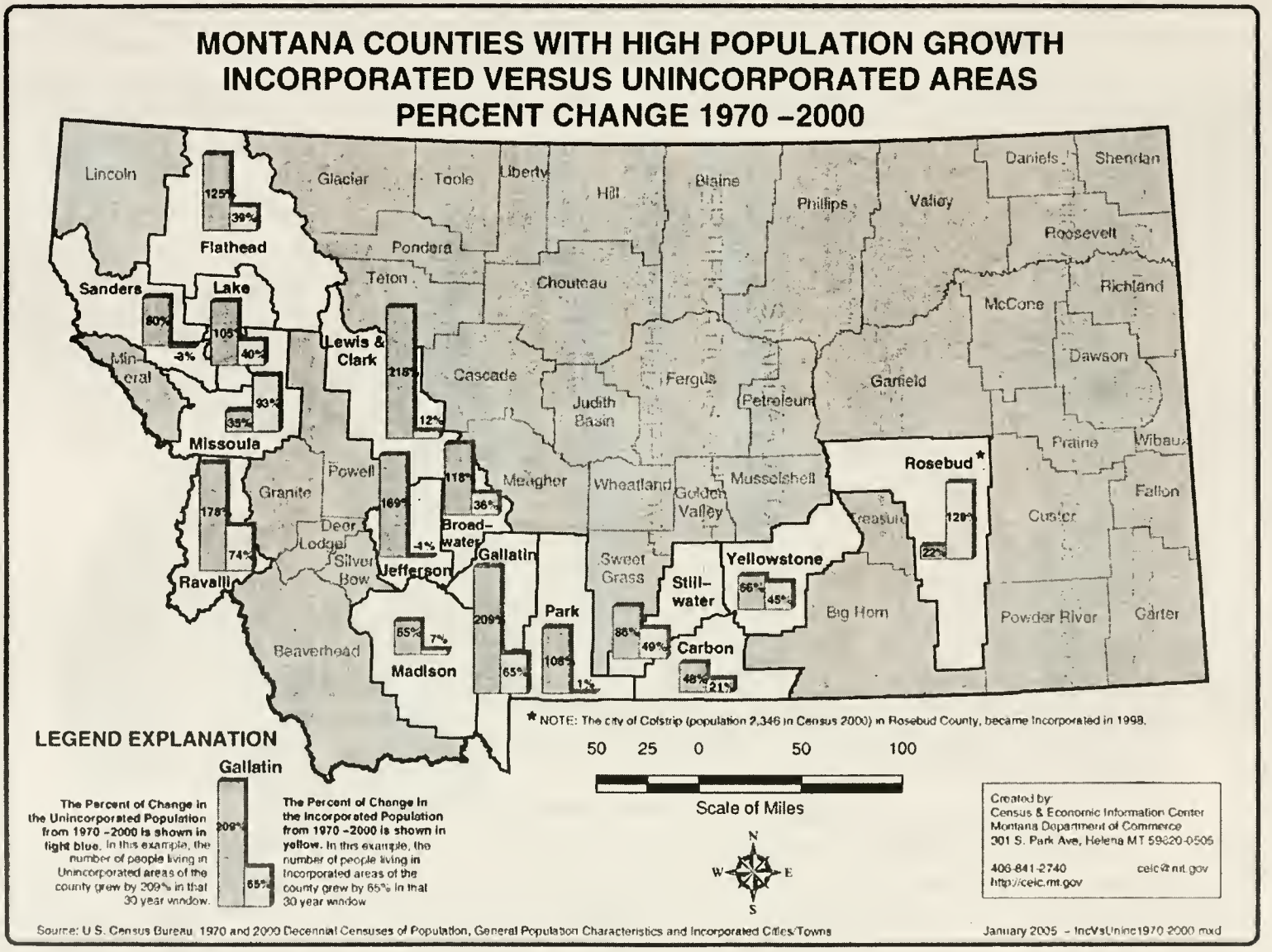
MEDIAN GROSS RENT BY COUNTY
Census 2000

MEDIAN HOME VALUE BY COUNTY
Census 2000



PERCENT OF POPULATION AGE 5 AND OVER WITH A DISABILITY BY COUNTY
CENSUS 2000

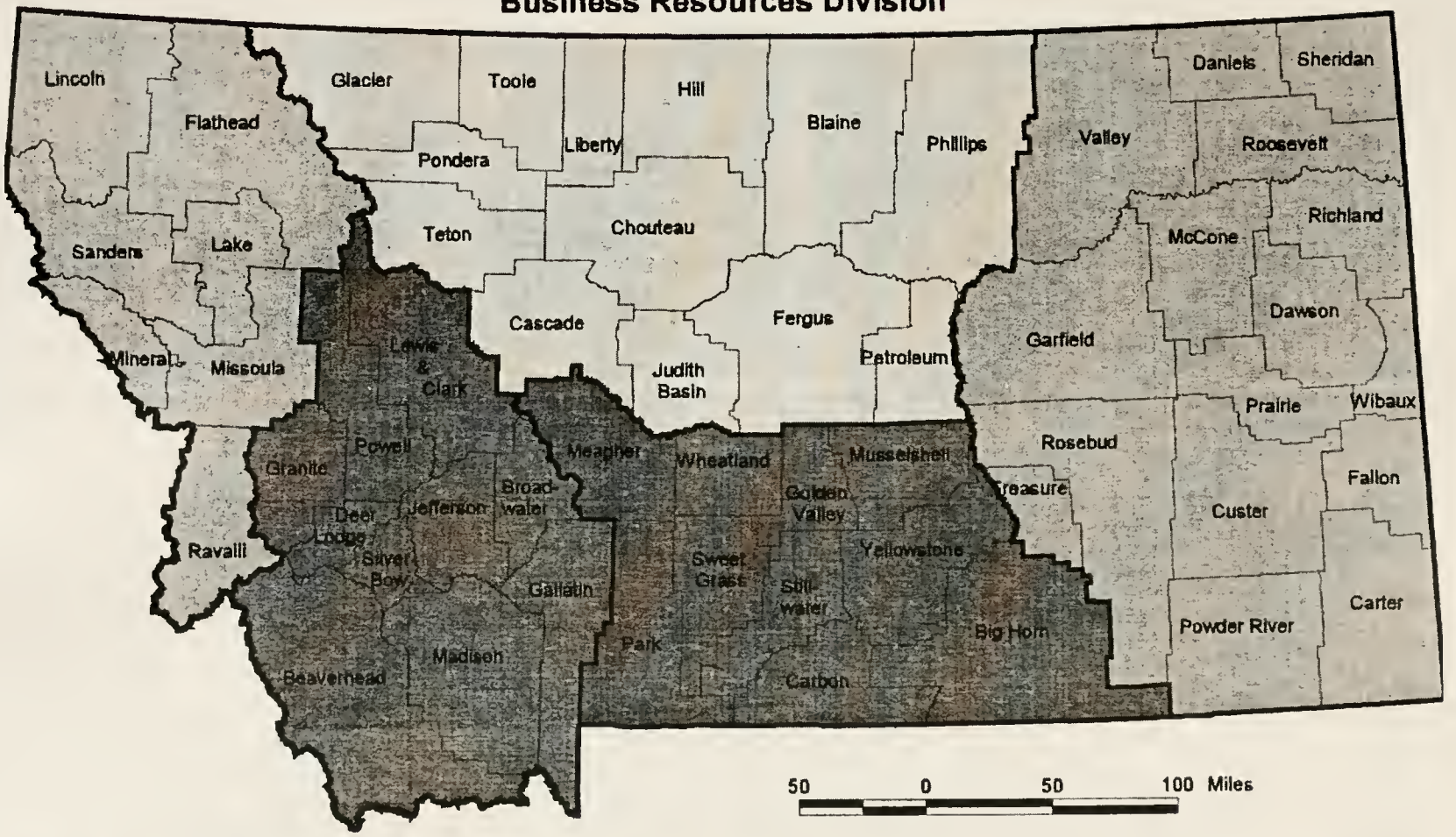



MONTANA COUNTIES WITH HIGH POPULATION GROWTH
INCORPORATED VERSUS UNINCORPORATED AREAS
PERCENT CHANGE 1970 –2000
Lincoln
Flathead
Sanders
Lake
Glacier
Toole
Liberty
Hill
Blaine
Phillips
Valley
Daniels
Sheridan
Roosevelt
Pondera
Teton
Chouteau
Richland
McCone
Dawson
Lewis & Clark
Cascade
Fergus
Judith Basin
Petroleum
Garfield
Prairie
Wibaux
Rosebud *
Custer
Fallon
Powell
Granite
Meagher
Wheatland
Golden Valley
Musselshell
Treasure
Broad-water
Gallatin
Jefferson
Deer Lodge
Silver Bow
Ravalli
Missoula
Mineral
Sweet Grass
Still-water
Yellowstone
Big Horn
Powder River
Carter
Park
Carbon
Beaverhead
Madison
LEGEND EXPLANATION
Gallatin
The Percent of Change in the Unincorporated Population from 1970 –2000 is shown in light blue. In this example, the number of people living in Unincorporated areas of the county grew by 209% in that 30 year window.
The Percent of Change in the Incorporated Population from 1970 –2000 is shown in yellow. In this example, the number of people living in Incorporated areas of the county grew by 65% in that 30 year window
* NOTE: The city of Colstrip (population 2,346 in Census 2000) in Rosebud County, became incorporated in 1998.
50 25 0 50 100
Scale of Miles
N
W
E
S
Created by:
Census & Economic Information Center
Montana Department of Commerce
301 S. Park Ave, Helena MT 59620-0505
406-841-2740 ceic@mt.gov
http://ceic.mt.gov
Source: U.S. Census Bureau 1970 and 2000 Decennial Censuses of Population, General Population Characteristics and Incorporated Cities/Towns
January 2005 - IncVsUninc1970-2000.mxd

CERTIFIED REGIONAL DEVELOPMENT CORPORATION REGIONS
Montana Department of Commerce
Bear Paw Development Corporation
Beartooth Resource Conservation & Development
Eastern Plains Resource Conservation & Development
Gateway Development Corporation
Great Northern Development Corporation
Headwaters Resource Conservation & Development
Lake County Community Development Corporation
Montana Community Development Corporation
North Central Economic Development District
Rocky Mountain Resource Conservation & Development
Snowy Mountain Development Corporation
Southeastern Montana Development Corporation
Unassigned Currently
50 25 0 50 100
Scale of Miles

REGIONAL DEVELOPMENT AREAS

Montana Department of Commerce
Business Resources Division



Regional Development Offices

Western RDO	Southwestern RDO	North Central RDO	South Central RDO	Eastern RDO
Charlie Wright	Terry Dimock	Randy Hanson	Al Jones	Tod Kasten
Phone: 532-3222	Phone: 841-2737	Phone: 262-9579	Phone: 655-1696	Phone: 485-3374
Fax: 543-2304	Fax: 841-2731	Fax: 262-9581	Fax: 655-0899	Fax: 485-3376

Created by:
Census & Economic Information Center
Montana Department of Commerce
301 S. Park Ave, Helena, MT 59620-0505

Phone, 406-841-2740, Email: ceic@mt.gov
http://ceic.mt.gov

February 22, 2005 rdo.apr

MONTANA

Department of Commerce

Five-Year Consolidated Plan 04/01/2005–03/31/2010

Annual Action Plan 04/01/2005–03/31/2006

APPENDIX E

MONTANA CONTINUUM OF CARE APPLICATION – EXHIBIT 1
2004 APPLICATION SUMMARY

(Refer to Appendix E in the Five-Year Consolidated Plan 04/01/2005–03/31/2010)

EQUAL HOUSING OPPORTUNITY

MONTANA

Department of Commerce

Five-Year Consolidated Plan 04/01/2005–03/31/2010

Annual Action Plan 04/01/2005–03/31/2006

APPENDIX F

STANDARD FORM 424

CERTIFICATIONS AND APPLICATIONS

HUD APPROVAL

EQUAL HOUSING OPPORTUNITY

APPLICATION FOR FEDERAL ASSISTANCE

Version 7/03

2. DATE SUBMITTED	Applicant Identifier
02/14/2005	
3. DATE RECEIVED BY STATE	State Application Identifier
4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

1. TYPE OF SUBMISSION:

Application	Pre-application
☐ Construction	☐ Construction
☐ Non-Construction	☐ Non-Construction

5. APPLICANT INFORMATION

Legal Name: State of Montana	**Organizational Unit**
	Department: Montana Department of Commerce
Organizational DUNS: 80-979-0579	Division: (1) Community Development and (2) Business Resources Divisions
Address:	**Name and telephone number of person to be contacted on matters involving this application (give area code)**
Street: 301 South Park Avenue	Prefix. / First Name. (1) Gus --or-- (2) Karyl
City: Helena	Middle Name
County: Lewis & Clark County	Last Name (1) Byrom --or-- (2) Tobel
State: Montana / Zip Code 59601	Suffix:
Country: USA	Email: (1) gbyrom@mt.gov --or-- (2) karylt@mt.gov
6. EMPLOYER IDENTIFICATION NUMBER *(EIN)*: 81-0302400	Phone Number (give area code) 406-841-2770 -or- 406-841-2733 / Fax Number (give area code) 406-841-2771 -or- 406-841-2731

8. TYPE OF APPLICATION:

☐ New ☐ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) ☐ ☐

Other (specify)

7. TYPE OF APPLICANT: (See back of form for Application Types)

A. State

Other (specify)

9. NAME OF FEDERAL AGENCY:
Department of Housing & Urban Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:

14-228

TITLE (Name of Program):

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:

FFY 2005 State of Montana Community Development Block Grant Program

(excludes the city limits of Billings, Great Falls, and Missoula)

12. AREAS AFFECTED BY PROJECT *(Cities, Counties, States, etc.)*:

Statewide

13. PROPOSED PROJECT

Start Date:	Ending Date:
04/01/2005	03/31/2006

14. CONGRESSIONAL DISTRICTS OF:

a. Applicant	b. Project
Montana	Montana

15. ESTIMATED FUNDING:

a. Federal	$ 7,626,300.00
b. Applicant	$ .00
c. State	$ .00
d. Local	$ .00
e Other	$ .00
f. Program Income	$ .00
g. TOTAL	$ 7,626,300.00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. Yes. ☐ THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON

DATE:

b. No. ☐ PROGRAM IS NOT COVERED BY E. O. 12372

☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

☐ Yes If "Yes" attach an explanation. ☐ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative

Prefix	First Name	Middle Name
Mr.	Anthony	J.
Last Name: Preite		Suffix
b. Title: Director		c. Telephone Number (give area code): 1-406-841-2700
d. Signature of Authorized Representative: Anthony J Preite		e. Date Signed: 2-9-05

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Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

APPLICATION FOR FEDERAL ASSISTANCE

Version 7/03

		2. DATE SUBMITTED 02/14/2005	Applicant Identifier
1. TYPE OF SUBMISSION: Application ☐ Construction ☐ Non-Construction	Pre-application ☐ Construction ☐ Non-Construction	3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name: State of Montana	Organizational Unit: Department: Montana Department of Commerce
Organizational DUNS: 80-979-0579	Division: Housing Division
Address: Street: 301 South Park Avenue	Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: Ms / First Name: Julie
City: Helena	Middle Name
County: Lewis & Clark County	Last Name: Flynn
State: Montana / Zip Code: 59601	Suffix:
Country: USA	Email: juflynn@mt.gov
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 81-0302400	Phone Number (give area code): 1-406-841-2818 / Fax Number (give area code): 1-406-841-2821

8. TYPE OF APPLICATION: ☐ New ☐ Continuation ☐ Revision. If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) ☐ ☐ Other (specify)	7. TYPE OF APPLICANT: (See back of form for Application Types) A. State. Other (specify)
	9. NAME OF FEDERAL AGENCY: Department of Housing & Urban Development
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14-239. TITLE (Name of Program):	11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: FFY 2005 State of Montana HOME Investment Partnerships Program (excludes the city limits of Billings, Great Falls, and Missoula)
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Statewide	
13. PROPOSED PROJECT: Start Date: 04/01/2005 / Ending Date: 03/31/2006	14. CONGRESSIONAL DISTRICTS OF: a. Applicant Montana / b. Project Montana

15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal	$ 4,758,946.00	a. Yes. ☐ THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE.
b. Applicant	$ .00	
c. State	$ .00	
d. Local	$ .00	b. No. ☐ PROGRAM IS NOT COVERED BY E. O. 12372 ☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
e. Other	$ .00	
f. Program Income	$ .00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
g. TOTAL	$ 4,758,946.00	☐ Yes If "Yes" attach an explanation. ☐ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative

Prefix: Mr.	First Name: Anthony	Middle Name: J.
Last Name: Preite		Suffix
b. Title: Director		c. Telephone Number (give area code): 1-406-841-2700
d. Signature of Authorized Representative: Anthony J Preite		e. Date Signed: 2-9-05

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Prescribed by OMB Circular A-102

APPLICATION FOR FEDERAL ASSISTANCE

Version 7/03

2. DATE SUBMITTED	Applicant Identifier
02/14/2005	
3. DATE RECEIVED BY STATE	State Application Identifier
4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

1. TYPE OF SUBMISSION:

Application	Pre-application
☐ Construction	☐ Construction
☑ Non-Construction	☐ Non-Construction

5. APPLICANT INFORMATION

Legal Name: State of Montana	Organizational Unit:
	Department: Montana Department of Public Health & Human Services
Organizational DUNS: 80-979-0579	Division: Human and Community Services Division
Address:	**Name and telephone number of person to be contacted on matters involving this application (give area code)**
Street: 1400 Broadway	Prefix: Mr. / First Name: Jim
City: Helena	Middle Name
County: Lewis & Clark County	Last Name: Nolan
State: Montana / Zip Code: 59601	Suffix:
Country: USA	Email: jnolan@mt.gov
6. EMPLOYER IDENTIFICATION NUMBER *(EIN)*: 81-0302400	Phone Number (give area code): 406-447-4260 / Fax Number (give area code): 406-447-4287

8. TYPE OF APPLICATION:

☐ New ☑ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) ☐ ☐

Other (specify)

7. TYPE OF APPLICANT: (See back of form for Application Types)

A. State

Other (specify)

9. NAME OF FEDERAL AGENCY:
Department of Housing & Urban Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:

14-231

TITLE (Name of Program):

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:

FFY 2005 State of Montana Emergency Shelter Grant Program

(excludes the city limits of Billings, Great Falls, and Missoula)

12. AREAS AFFECTED BY PROJECT *(Cities, Counties, States, etc.)*:

Statewide

13. PROPOSED PROJECT

Start Date:	Ending Date:
04/01/2005	03/31/2006

14. CONGRESSIONAL DISTRICTS OF:

a. Applicant	b. Project
Montana	Montana

15. ESTIMATED FUNDING:

a. Federal	$ 393,710.00
b. Applicant	$ .00
c. State	$ .00
d. Local	$ .00
e. Other	$ .00
f. Program Income	$ .00
g. TOTAL	$ 393,710.00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. Yes. ☐ THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON

DATE:

b. No. ☑ PROGRAM IS NOT COVERED BY E. O. 12372

☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

☐ Yes If "Yes" attach an explanation. ☐ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative

Prefix	First Name	Middle Name
Mr.	Hank	
Last Name: Hudson		Suffix
b. Title: Administrator		c. Telephone Number (give area code): 1-406-444-5902
d. Signature of Authorized Representative		e. Date Signed: 2/11/05

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Prescribed by OMB Circular A-102

Funding Matrix

The applicant must provide the funding matrix shown below, listing each program for which HUD funding is being requested, and complete the certifications.

Grant Program*	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income	Total
Community Developm	7,626,300.00								7,626,300.00
HOME Investment Pa	4,758,946.00								4,758,951.00
Emergency Shelter Gi	393,710.00								393,710.00
									0.00
									0.00
Grand Totals	12,778,956.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,778,956.00

* For FHIPs, show both initiative and component

Certifications

I certify, to the best of my knowledge and belief, that no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all sub awards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly

Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but State-recognized Indian tribes and TDHEs established under State law are not excluded from the statute's coverage

This application incorporates the Assurances and Certifications (HUD-424B) attached to this application or renews and incorporates for the funding you are seeking the Assurances and Certifications currently on file with HUD To the best of my knowledge and belief, all information in this application is true and correct and constitutes material representation of fact upon which HUD may rely in awarding the agreement.

23 Signature of Authorized Official	Name (printed)	Anthony J. Preite
Title: Director	Date (mm/dd/yyyy): 2-9-05	

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form used by applicants as a required face sheet for pre-applications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item:	Entry:	Item:	Entry:
1.	Select Type of Submission.	11	Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g , construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.
2.	Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable).	12.	List only the largest political entities affected (e.g., State, counties, cities).
3.	State use only (if applicable).	13	Enter the proposed start date and end date of the project.
4.	Enter Date Received by Federal Agency Federal identifier number: If this application is a continuation or revision to an existing award, enter the present Federal Identifier number. If for a new project, leave blank.	14	List the applicant's Congressional District and any District(s) affected by the program or project
5.	Enter legal name of applicant, name of primary organizational unit (including division, if applicable), which will undertake the assistance activity, enter the organization's DUNS number (received from Dun and Bradstreet), enter the complete address of the applicant (including country), and name, telephone number, e-mail and fax of the person to contact on matters related to this application.	15	Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.
6.	Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.	16.	Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.
7.	Select the appropriate letter in the space provided. A. State B. County C. Municipal D. Township E. Interstate F. Intermunicipal G. Special Distnct H. Independent School District I. State Controlled Institution of Higher Learning J. Private University K. Indian Tribe L. Individual M. Profit Organization N. Other (Specify) O. Not for Profit Organization	17.	This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.
8.	Select the type from the following list: • "New" means a new assistance award. • "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date. • "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision enter the appropriate letter: A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration	18	To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)
9.	Name of Federal agency from which assistance is being requested with this application.		
10.	Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.		

CERTIFICATIONS AND APPLICATIONS

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing
The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan
It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace
It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about -

   (a) The dangers of drug abuse in the workplace;
   (b) The grantee's policy of maintaining a drug-free workplace;
   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -

   (a) Abide by the terms of the statement; and

(b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -

   (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

   (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying
To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and

contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State
The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan
The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3
It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Anthony J Preate
Signature/Authorized Official

Director, Department of Commerce
Title

2-9-05
Date

SPECIFIC CDBG CERTIFICATIONS

The State certifies that:

Citizen Participation
It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486.

Consultation with Local Governments
It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

2. It engages in or will engage in planning for community development activities;

3. It provides or will provide technical assistance to units of local government in connection with community development programs; and

4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification
It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan
Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds
It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities, which benefit low and moderate-income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs

having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year 2005 shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

   - It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

   - However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

   - It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force

It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-Discrimination Law
The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws
It will comply with applicable laws.

Signature/Authorized Official

Director, Department of Commerce
Title

2-9-05
Date

SPECIFIC HOME CERTIFICATIONS

The State certifies that:

Tenant Based Rental Assistance
If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs
It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in 92.214.

Appropriate Financial Assistance
Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Anthony J Preut
Signature/Authorized Official

Director, Department of Commerce
Title

2-9-05
Date

ESG CERTIFICATIONS

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major Rehabilitation/Conversion
In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services
Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation
Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Service
It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds
It will obtain matching amounts required under 24 CFR 576.71.

Confidentiality
It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement
To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan
It is following a current HUD-approved Consolidated Plan.

Signature/Authorized Official

Administrator, Human and Community Services Division
Title

2/11/05
Date

APPENDIX TO CERTIFICATIONS

Instructions Concerning Lobbying And Drug-Free Workplace Requirements:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).

4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance:
301 South Park Avenue, Helena, Lewis and Clark County, Montana 59601

1400 Carter Drive, Helena, Lewis and Clark County, Montana 59620

Check _____ if there are workplaces on file that are not identified here; the certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule particular, to the following definitions from these rules, apply to this certification. Grantees' attention is called, in

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if

used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

U. S. Department of Housing and Urban Development

Community Planning and Development

Region VIII, Denver
1670 Broadway
Denver, Colorado 80202-4801

Phone: 303-672-5414
Fax: 303-672-5028
Web: www.hud.gov

APR 14 2005

RECEIVED
APR 18 2005
MBOH

Mr. Bruce Brensdal, Administrator
Montana Department of Commerce
P.O. Box 200528
Helena, MT 59620-0528

Dear Mr. Brensdal:

Congratulations! The State's 2004 Consolidated and Annual Action Plan is approved. Along with the approval of your plan, we are pleased to transmit to you the Fiscal Year (FY) 2005 Community Development Block Grant (CDBG) Number **B-05-DC-30-0001** funds in the amount of $7,626,300, HOME Grant Number **M-05-SG-30-0100** funds in the amount of $4,594,104, American Dream Downpayment Initiative funds in the amount of $164,842, and Emergency Shelter Grant (ESG) Number **S-05-DC-30-0001** funds in the amount of $393,710. The program year for the State of Montana began on April 1, 2005.

Enclosed are the Grant Agreements and Funding Approvals (three copies for each CPD program), which constitute the contracts between the Department of Housing and Urban Development (HUD) and the State of Montana.

In order to establish your Line of Credit to reflect the FY 2005 grant, it will be necessary for you to execute and return two copies of the Grant Agreement for each program. In addition, if there is a need to delete or add individuals authorized to access the Voice Response System (VRS), a VRS Security Access Authorization Form (HUD-27054) must be prepared, notarized, and returned to this office with the Grant Agreement. Also if there is a need to establish or change the depository account to which these grant funds are to be wired, a Direct Deposit Sign-Up Form (SF-1199A) must be completed by you and your financial institution and mailed to this office.

Upon receipt of the executed Grant Agreements (two copies) and other forms required to increase your Line of Credit, HUD will transmit to you the assigned Voice Response project number for this grant.

You are reminded that there are restrictions on certain activities until you complete the Environmental Review Procedures for the CDBG, HOME and Emergency Shelter Programs (24 C.F.R. Part 58). Funds for such activities may not be obligated or expended unless the release of funds has been approved in writing by HUD. A request for the release of funds and certification (Form 7015.15) must be submitted to HUD. Appropriate forms can be found under HUDCLIPS on the web (www.hudclips.org). Certain activities identified in Part 58.34 may be considered exempt from the release of funds process and no written approval from HUD is necessary.

We additionally would like to remind you of your certification to further fair housing. This certification means conducting an analysis to identify impediments to fair housing choice within the

jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through that analysis, and maintaining records reflecting the analysis and actions in this regard. We also encourage continuation and expansion of your efforts to provide contracting opportunities to minority-and women-owned businesses in the implementation of your CPD program activities.

If you have any questions or desire assistance in connection with this letter or other items related to the CDBG Program, please contact Mrs. Renae Blair, Community Planning and Development Representative, at (303) 672-5414.

Sincerely,

Guadalupe M. Herrera

Guadalupe M. Herrera
Director
Community Planning
and Development

Enclosures

50 copies of this public document were published at an estimated cost of $7.40 per copy, for a total cost of $370.00, which includes $370.00 for printing and $0.00 for distribution.